

CHAPTER 28

H.B. No. 72

An Act relating to the public school system, including administration, finance, personnel, students, programs, teacher education and retirement, and elements of the offense of thwarting compulsory school attendance.

Be it enacted by the Legislature of the State of Texas:

ARTICLE I. ADMINISTRATION AND OVERSIGHT OF PUBLIC
EDUCATION POLICY

PART A. LEGISLATIVE EDUCATION BOARD

SECTION 1. Title 87, Revised Statutes, is amended by adding Article 5429p to read as follows:

Art. 5429p. LEGISLATIVE EDUCATION BOARD

Sec. 1. LEGISLATIVE EDUCATION BOARD. *The Legislative Education Board is established.*

Sec. 2. COMPOSITION. *The Legislative Education Board is composed of:*

- (1) *the lieutenant governor;*
- (2) *the speaker of the house of representatives;*
- (3) *the chairman of the House Public Education Committee;*
- (4) *the chairman of the Senate Education Committee;*
- (5) *the chairman of the House Appropriations Committee;*
- (6) *the chairman of the Senate Finance Committee;*
- (7) *two state representatives appointed by the speaker; and*
- (8) *two senators appointed by the lieutenant governor.*

Sec. 3. CHAIRMAN. *The lieutenant governor and speaker of the house alternate serving as chairman and vice-chairman of the board. Each term as chairman is for two years concurrent with the fiscal biennium.*

Sec. 4. QUORUM. *A majority of the members of each house constitutes a quorum of the board for the transaction of business.*

Sec. 5. MEETINGS. *The board shall meet at least quarterly and at other times at the call of the chair.*

Sec. 6. POWERS AND DUTIES. (a) *The board shall oversee and review the implementation of legislative education policy, including fiscal policy, by state agencies that have the statutory duty to implement that policy. The board may require information and reports from state agencies as necessary to carry out its duties.*

(b) *For purposes of carrying out its duties, the board has the power to administer oaths and to issue subpoenas, signed by the chairman or vice-chairman, to compel the attendance of witnesses and the production of books, records, and documents. A subpoena of the board shall be served by a peace officer in the manner in which district court subpoenas are served. On application of the board, a district court of Travis County shall compel compliance with a subpoena issued by the board in the same manner as for district court subpoenas.*

(c) *The board shall make recommendations to the legislature concerning needed changes in legislative education policy.*

(d) *The Texas Legislative Council shall provide staff for the board as necessary to the performance of its duties.*

(e) *State agencies shall cooperate with and assist the board at the board's request.*

Sec. 7. REVIEW OF CURRICULUM IMPLEMENTATION. *The board shall biennially review the curriculum rules adopted by the State Board of Education under Section 21.101, Education Code, for the purpose of ensuring compliance with legislative intent.*

SECTION 2. Section 11.23, Education Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) *At its next regular [January] meeting [of each year] following the [general] election and qualification of new members, the State Board of Education shall organize, adopt rules of procedure, and elect a [chairman,] vice chairman [;] and secretary.*

(d) *The governor appoints the chairman of the State Board of Education from among the membership of the State Board of Education. The chairman serves a term of two years.*

**PART B. STATE BOARD OF EDUCATION; UNIFORM ELECTION DATE
FOR SCHOOL ELECTIONS**

SECTION 1. Section 11.21, Education Code, is amended to read as follows:

Sec. 11.21. COMPOSITION OF BOARD. (a) The State Board of Education is composed of 15 members ~~[one member]~~ elected from districts ~~[each congressional district established by law]~~.

(b) Each district from which a board member is elected is composed as follows:

(1) District No. 1 is composed of Brewster, Brooks, Crockett, Culberson, Dimmit, Duval, Edwards, El Paso, Hudspeth, Jeff Davis, Jim Hogg, Jim Wells, Kinney, Loving, Maverick, Pecos, Presidio, Reagan, Reeves, Schleicher, Starr, Sutton, Terrell, Upton, Uvalde, Val Verde, Ward, Webb, Winkler, Zapata, and Zavala counties; and that part of Hidalgo County included in census tracts 201, 202, 213, 241, and 242;

(2) District No. 2 is composed of Aransas, Calhoun, Cameron, Jackson, Kenedy, Kleberg, Matagorda, Nueces, Victoria, and Willacy counties; and that part of Hidalgo County included in census tracts 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, and 243;

(3) District No. 3 is composed of Atascosa, Bee, De Witt, Frio, Goliad, Karnes, La Salle, Live Oak, McMullen, Medina, Refugio, San Patricio, and Wilson counties; and that part of Bexar County included in census tracts 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1201, 1202, 1207, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1413, 1414, 1415, 1416, 1417, 1418, 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1519, 1520, 1521, 1522, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1610, 1611, 1612, 1613, 1614.01, 1614.02, 1615, 1616, 1617, 1618, 1619, 1620, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1710, 1711, 1712, 1713, 1714, 1715, 1716, 1717, 1718, 1719, 1801, 1802, 1803, 1804, 1805, 1806, 1808, 1809.01, 1809.02, 1816, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910.01, 1910.02, and 1911.02; and that part of census tract 1214 included in block groups 2 and 9;

(4) District No. 4 is composed of that part of Fort Bend County included in census tract 701.04; and that part of census tract 701.03 included in blocks 4 and 9; and that part of census tract 701.05 included in blocks 4 and 5; and that part of Harris County included in census tracts 121, 201.01, 201.02, 202, 202.99, 203.01, 203.02, 203.03, 204, 205.01, 205.02, 205.03, 206.01, 206.02, 207.01, 207.02, 207.03, 207.04, 208.01, 208.02, 208.03, 209, 210.01, 210.02, 211, 212, 213.01, 213.02, 214.01, 214.02, 215.01, 215.02, 215.03, 216.01, 216.02, 217.01, 217.02, 218.01, 218.02, 218.03, 218.04, 219, 220.01, 220.02, 221, 222.02, 223.01, 223.02, 223.03, 224.01, 224.02, 224.03, 224.04, 225.01, 225.02, 225.03, 225.04, 226.01, 226.02, 227, 239, 240.02, 300.22, 300.23, 300.24, 301.01, 301.02, 302, 303, 304.01, 304.02, 305.01, 305.02, 306, 307.01, 307.02, 308, 309.01, 309.02, 309.03, 310, 311, 311.99, 312, 312.99, 313.01, 313.02, 314.01, 314.02, 315, 316.01, 316.02, 317.01, 317.02, 317.03, 317.04, 318.01, 318.02, 318.03, 318.04, 319.01, 319.02, 320.01, 320.02, 320.03, 320.04, 321.01, 321.02, 321.03, 321.99, 322.01, 323.01, 323.02, 324.02, 325.01, 325.02, 327.01, 327.02, 328.01, 328.02, 328.03, 329.01, 329.02, 329.03, 330.01, 330.02, 331, 332, 333, 334, 335.01, 335.02, 335.03, 336, 337, 338, 339.01, 339.02, 339.03, 340, 341, 342, 343.01, 343.02, 348.01, 348.02, 350.01, 400.25, 400.26, 401.01, 401.02, 402.01, 402.02, 403, 404.01, 404.02, 405.01, 405.02, 414.02, 415.01, 415.02, 415.03, 415.04, 427.02, 430.02, 432, 501, 502, 503.01, 503.02, 504, 505.01, 505.02, 506.01, 506.02, 507.01, 507.02, 508, 509.01, 509.02, 509.03, 510, 511, 512, 513, 514.01, 514.02, 515.01, 515.02, 516.01, 516.02, 518.02, 518.03, 519.02, 520.01, 520.02, 520.03, 521.01, 521.02, 521.03, 523.01, 523.02, 523.03, 524, 525.02, 525.03, 525.04, 530.02, 531.01, and 531.03;

(5) District No. 5 is composed of Austin, Bandera, Brazoria, Colorado, Comal, Fayette, Gillespie, Gonzales, Guadalupe, Kendall, Kerr, Kimble, Lavaca, Mason, Real, Waller, Washington, and Wharton counties; and that part of Bexar County included in census tracts 1203, 1204, 1205.01, 1205.02, 1206, 1208, 1209.01, 1209.02, 1210, 1211.01, 1211.02, 1212.01, 1212.02, 1213, 1215, 1216.01, 1216.02, 1217, 1218, 1219, 1316.01, 1316.02, 1317, 1318, 1419, 1720, 1807, 1810.01, 1810.02, 1811, 1812, 1813, 1814, 1815, 1817.01, 1817.02, 1818, 1819, 1820, 1821, 1911.01, 1912, 1913, 1914, 1915, 1916, 1917, and 1918; and that part of census tract 1214 included in block groups 1 and 3; and that part of Fort Bend County included in census tracts 701.01, 701.02, 701.06, 701.07, 702.01, 702.02, 702.03, 702.04, 703.01, 703.02, 703.03, 704, 705, 706, 707.01, 707.02, 707.03, 708, 709.01, 709.02, 709.03, 710.01, 710.02, 711, 712, 713, and 714; and that part of census tract 701.03 included in block groups 1 and 3; and that part of census tract 701.05 included in block groups 6, 7, 8, and 9; and that part of Harris County included in census tracts 370, 371.01, 371.02, 372, 373.01, 373.02, 373.03, 373.04, 374, and 375;

(6) District No. 6 is composed of that part of Harris County included in census tracts 222.01, 240.01, 240.03, 406, 407.01, 407.02, 408, 409, 410, 411, 412.01, 412.02, 413.01, 413.02, 413.03, 414.01, 416.01, 416.02, 416.03, 416.04, 416.05, 417.01, 417.02, 418.01, 418.02, 419.01, 419.02, 419.03, 419.04, 419.05, 419.06, 420.01, 420.02, 420.03, 421, 422.01, 422.02, 422.03, 422.04, 423.01, 423.02, 423.03, 423.04, 423.05, 423.06, 423.07, 424.01, 424.02, 424.03, 424.04, 425.01, 425.02, 425.03, 425.04, 426.01, 426.02, 427.01, 428.01, 428.02, 429, 430.01, 431, 433, 434.01, 434.02, 435.01, 435.02, 436.01, 436.02, 436.03, 437.01, 437.02, 438.01, 438.02, 438.03, 438.04, 438.05, 438.06, 439.01, 439.02, 440.01, 440.02, 440.03, 440.04, 440.05, 440.06, 441.01, 441.02, 442.01, 442.02, 442.03, 442.04, 443.01, 443.02, 443.03, 443.04, 443.05, 443.06, 444.01, 444.02, 444.03, 444.04, 445.01, 445.02, 446.01, 446.02, 446.03, 447.01, 447.02, 447.03, 448, 449, 450, 451.01, 451.02, 452.01, 452.02, 517.01, 517.02, 517.03, 517.04, 517.05, 518.01, 519.01, 519.03, 522.01, 522.02, 525.01, 526.01, 526.02, 526.03, 526.04, 527.01, 527.02, 527.03, 528, 529.01, 529.02, 530.01, 530.03, 531.02, 532.01, 532.02, 533.01, 533.02, 533.03, 534.01, 534.02, 536.01, 536.02, 537.01, 537.02, 538.01, 538.02, 539, 540.01, 540.02, 541, 542.01, 542.02, 543, 544, 545.01, 545.02, 546, 547, 548, 549, 550, 551.01, 551.02, 552, 553, 554, 555.01, 555.02, 556.01, 556.02, 557, and 558.02;

(7) District No. 7 is composed of Chambers, Galveston, Liberty, and Orange counties; and that part of Harris County included in census tracts 228.01, 228.02, 229, 230.01, 230.02, 230.03, 230.04, 231, 232, 232.99, 233, 233.99, 234, 235, 236, 237, 254, 255, 256, 257, 258, 259.01, 259.02, 260, 261, 262, 263, 264, 265, 266, 267.01, 267.02, 267.03, 268, 269.01, 269.02, 270, 271, 272, 273, 273.99, 274, 275, 322.02, 322.03, 322.04, 324.01, 324.03, 324.04, 326, 344, 345.01, 345.02, 346, 347.01, 347.02, 347.03, 347.04, 349.01, 349.02, 350.02, 350.03, 350.04, 351, 352, 353.01, 353.02, 354, 355.01, 355.02, 356.01, 356.02, 356.03, 356.04, 357.01, 357.02, 357.03, 358.01, 358.02, 359.01, 359.02, 360.01, 360.02, 360.03, 360.04, 361, 361.99, 362, 363, 364, 364.99, 365.01, 365.02, 365.03, 366.01, 366.02, 367, 367.99, 368.01, 368.02, and 369; and that part of Jefferson County included in census tracts 1.03, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13.01, 13.02, 13.03, 14, 15, 16, 17, 18, 18.99, 19, 20, 21, 22, 23, 24, 25, 26, 51, 51.99, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 66.99, 67, 68, 69, 70, 71, 101, 102, 103, 104, 105, 106, 107, 108, 108.99, 109, 110.01, 110.02, 111.01, 111.02, 112, 112.99, 113, 115, 116, and 116.99; and that part of census tract 3.01 included in blocks 114, 115, 116, 117, 119, 120, 129, 130, and 131; and that part of census tract 3.02 included in block group 2; and that part of census tract 3.03 included in block groups 3 and 4; and that part of census tract 3.04 included in block group 5, and blocks 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 865, and 866; and that part of census tract 114 included in enumeration district 452, and blocks 927, 928, 929, 930, 931, 932, 935, 936, 937, 938, 941, 942, 946, 947, 948, and 949;

(8) District No. 8 is composed of Angelina, Bowie, Camp, Cass, Franklin, Gregg, Hardin, Harrison, Jasper, Marion, Morris, Nacogdoches, Newton, Panola, Polk, Red River, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Titus, Trinity, Tyler, and Walker counties; and that part of Harris County included in census tracts 238, 241.01, 241.02, 241.03, 242, 243, 244.01, 244.02, 245.01, 245.02, 246, 247, 248, 249.01, 249.02, 249.03, 250, 251, 252, 253, 535, 538.01, 539.01, and 539.02; and that part of Jefferson County included in census tracts 1.01, 1.02, and 2; and that part of census tract 3.01 included in block group 9, and blocks 101, 103, 104, 106, 107, 108, 109, 110, 111, 112, and 113; and that part of census tract 3.02 included in block group 9; and that part of census tract 3.03 included in block group 8; and that part of census tract 3.04 included in block group 7, and blocks 615, 616, 617, 618, 619, 802, 803, 804, 805, 806, 807, 808, 810, 812, and 835; and that part of census tract 114 included in enumeration districts 450, 451, and 454, and block group 1, and blocks 901, 902, 903, 904, 905, 906, 907, 908, 911, 912, 913, 914, 915, 916, 918, 919, 920, 921, and 923; and that part of Montgomery County included in census tracts 901.01, 901.02, 901.03, 902.01, 902.02, 905, 906.01, 906.02, 906.03, 907.01, 907.02, 907.03, 908.01, 908.02, 908.03, 909, 910, 911.01, 911.02, and 912.02; and that part of census tract 902.03 included in block group 1, and blocks 202, 204, 206, 208, 209, and 210;

(9) District No. 9 is composed of Anderson, Cherokee, Delta, Ellis, Falls, Fannin, Freestone, Grimes, Henderson, Hopkins, Houston, Hunt, Kaufman, Lamar, Leon, Limestone, McLennan, Madison, Navarro, Rains, Rockwall, Smith, Upshur, Van Zandt, and Wood counties; and that part of Montgomery County included in census tracts 902.04, 902.05, 902.06, 902.07, 903.01, 903.02, 904, and 912.01; and that part of census tract 902.03 included in block group 3, and blocks 201, 203, 205, 207, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, and 230;

(10) District No. 10 is composed of Bastrop, Bell, Blanco, Brazos, Burleson, Burnet, Caldwell, Hays, Lampasas, Lee, Llano, Milam, Robertson, San Saba, Travis, and Williamson counties;

(11) District No. 11 is composed of Denton, Grayson, Parker, and Wise counties; and that part of Collin County included in census tracts 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, and 313.01; and that part of Tarrant County included in census tracts 1001.01, 1001.02, 1002.01, 1002.02, 1003, 1004, 1005.01, 1005.02, 1006.01, 1006.02, 1007, 1008, 1009, 1010, 1011,

1012.01, 1012.02, 1013.02, 1014.01, 1014.02, 1014.03, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022.01, 1022.02, 1023.01, 1023.02, 1024.01, 1024.02, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036.01, 1036.02, 1037.01, 1037.02, 1038, 1039, 1040, 1041, 1042.01, 1042.02, 1043, 1044, 1045.01, 1045.02, 1045.03, 1046.01, 1046.02, 1046.03, 1046.04, 1046.05, 1047, 1048.01, 1048.02, 1049, 1050.01, 1050.04, 1051, 1052, 1053, 1054.01, 1054.03, 1054.04, 1055.01, 1055.02, 1055.03, 1055.04, 1056, 1057.01, 1057.02, 1058, 1059, 1060.01, 1060.02, 1060.03, 1061.01, 1061.02, 1062.01, 1062.02, 1063, 1066, 1067, 1101.01, 1101.02, 1102.01, 1102.02, 1103, 1104.01, 1104.02, 1105, 1106.01, 1106.02, 1107.01, 1107.02, 1108.01, 1108.02, 1108.03, 1109.01, 1109.02, 1110.01, 1110.03, 1110.04, 1111.01, 1111.02, 1112.01, 1112.02, 1113.01, 1113.02, 1114, 1115.03, 1115.04, 1115.08, 1132.05, 1132.06, 1133.01, 1133.02, 1136.03, 1138.02, 1139, 1140.01, 1140.02, 1141, 1142.01, and 1142.02; and that part of census tract 1132.03 included in block groups 1, 2, 3, 4, 5, and 6; and that part of census tract 1137.01 included in block groups 1, 3, 4, 5, and 6; and that part of census tract 1138.01 included in block groups 3 and 4;

(12) District No. 12 is composed of that part of Collin County included in census tracts 313.02, 314, 315, 316.01, 316.02, 316.03, 316.04, 316.05, 316.06, 316.07, 317, 318.01, 318.02, 318.03, 319, 320.01, and 320.02; and that part of Dallas County included in census tracts 71.01, 73.01, 73.02, 74, 75.01, 75.02, 76.01, 76.02, 76.03, 76.04, 78.04, 78.05, 78.07, 79.05, 94, 95, 96.03, 96.04, 96.05, 96.06, 96.07, 96.08, 96.09, 97.01, 97.02, 98.01, 99, 126, 129, 130.02, 130.03, 130.04, 131.01, 131.02, 131.03, 132, 133, 134.01, 134.02, 135, 136.01, 136.04, 136.05, 136.06, 136.07, 136.08, 136.09, 136.10, 137.01, 137.02, 137.04, 137.05, 137.06, 137.07, 137.08, 138.01, 138.02, 139, 140.01, 140.02, 141.01, 141.02, 141.03, 141.04, 142, 143.01, 143.02, 143.03, 143.04, 144.01, 144.02, 145, 146, 147, 149, 150, 151, 152.01, 152.02, 181.05, 181.06, 181.07, 181.08, 181.09, 181.11, 181.12, 183, 184.01, 184.02, 184.03, 185.01, 185.02, 186, 188.01, 189, 190.03, 190.04, 190.06, 190.07, 190.08, 190.09, 190.10, 190.11, 190.12, 190.13, 190.14, 190.15, 191, 192.01, 192.02, 192.03, 192.04, 192.05, 192.06, 192.07, 193.01, 193.02, 194, 195.01, 195.02, 196, 197, and 198; and that part of census tract 78.06 included in block 1; and that part of census tract 128 included in blocks 1, 2, 5, 6, 7, and 8; and that part of Tarrant County included in census tracts 1013.01, 1064, 1065.01, 1065.02, 1065.03, 1065.04, 1065.05, 1115.05, 1115.06, 1115.07, 1115.09, 1115.10, 1130, 1131, 1132.04, 1134.03, 1134.04, 1134.05, 1134.06, 1135.03, 1135.04, 1135.05, 1135.06, 1136.04, 1136.05, 1136.06, 1136.07, 1136.08, 1137.02, 1216.01, 1216.04, 1216.05, 1216.06, 1216.07, 1217.01, 1217.02, 1218, 1219.01, 1219.02, 1220, 1221, 1222, 1223, 1224, 1225, 1226, 1227, 1228, and 1229; and that part of census tract 1132.03 included in block group 7; and that part of census tract 1137.01 included in block group 2; and that part of census tract 1138.01 included in block groups 1 and 2;

(13) District No. 13 is composed of that part of Dallas County included in census tracts 1, 2.01, 2.02, 3, 4.01, 4.02, 4.03, 5, 6.01, 6.03, 6.04, 7.01, 7.02, 8, 9, 10, 11.01, 11.02, 12, 13.01, 13.02, 14, 15.01, 15.02, 16, 17.01, 17.02, 18, 19, 20, 21, 22.01, 22.02, 23, 24, 25, 26, 27.01, 27.02, 28, 29, 30, 31.01, 31.02, 32.01, 32.02, 33, 34, 35, 36, 37, 38, 39.01, 39.02, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 59.01, 59.02, 60.01, 60.02, 61, 62, 63.01, 63.02, 64, 65, 67, 68, 69, 71.02, 72, 77, 78.01, 78.08, 78.09, 79.02, 79.03, 79.04, 80, 81, 82, 83, 84, 85, 86.01, 86.02, 87.01, 87.03, 87.04, 87.05, 88.01, 88.02, 89, 90.01, 90.02, 91.01, 91.02, 92.01, 92.02, 93.01, 93.03, 93.04, 98.02, 100, 101, 102, 103, 104, 105, 106, 107, 108.01, 108.02, 108.03, 109, 110.01, 110.02, 111.01, 111.02, 112, 113, 114.01, 114.02, 115, 116.01, 116.02, 117, 118, 119, 120, 121, 122.02, 122.03, 122.04, 122.05, 123, 124, 125, 127, 148.01, 148.02, 153.01, 153.02, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165.01, 165.02, 165.03, 165.05, 165.06, 165.07, 166.01, 166.02, 166.03, 166.04, 167.01, 167.02, 168, 169.01, 169.02, 169.03, 169.04, 170, 171, 172, 173.01, 173.02, 174, 175, 176.01, 176.02, 177, 178.01, 178.03, 178.04, 178.05, 179, 180, 181.04, 181.10, 181.13, 181.14, 181.15, 182.01, 182.02, 187, 188.02, and 199; and that part of census tract 78.06 included in block 2; and that part of census tract 128 included in block groups 3 and 4;

(14) District No. 14 is composed of Archer, Baylor, Bosque, Brown, Callahan, Childress, Clay, Coke, Coleman, Comanche, Concho, Cooke, Coryell, Cottle, Eastland, Erath, Fisher, Foard, Glasscock, Hamilton, Hardeman, Haskell, Hill, Hood, Irion, Jack, Johnson, Jones, King, Knox, McCulloch, Menard, Midland, Mills, Montague, Nolan, Palo Pinto, Runnels, Shackelford, Somervell, Stephens, Sterling, Stonewall, Taylor, Throckmorton, Tom Green, Wichita, Wilbarger, and Young counties; and

(15) District No. 15 is composed of Andrews, Armstrong, Bailey, Borden, Briscoe, Carson, Castro, Cochran, Collingsworth, Crane, Crosby, Dallam, Dawson, Deaf Smith, Dickens, Donley, Ector, Floyd, Gaines, Garza, Gray, Hale, Hall, Hansford, Hartley, Hemphill, Hockley, Howard, Hutchinson, Kent, Lamb, Lipscomb, Lubbock, Lynn, Martin, Mitchell, Moore, Motley, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Scurry, Sherman, Swisher, Terry, Wheeler, and Yoakum counties.

(c) It is the intention of the Texas Legislature that if any county, census tract, block, or other geographic area has erroneously been left out of this section, any court reviewing this section should

include that area in the appropriate district as accomplished by the Supreme Court of Texas in *Smith v. Patterson*, 111 Tex. 535, 242 S.W. 749 (1922).

SECTION 2. Section 11.22, Education Code, is amended to read as follows:

Sec. 11.22. MEMBERSHIP. (a) Members of the State Board of Education shall be elected at biennial general elections held in compliance with the general election laws of this state [~~to the board offices which will become vacant on December 31 of that year~~].

(b) No person shall be eligible for election to or serve on the board if he holds an office with the State of Texas or any political subdivision thereof [~~or holds employment with or receives any compensation for services from the state or any political subdivision thereof (except retirement benefits paid by the State of Texas or the federal government or engages in organized public educational activity)~~].

(c) No person shall be elected from or serve in a district who is not a bona fide resident thereof with ~~one year's~~ **[five years]** continuous residence prior to his election. No person shall be eligible for election or appointment to or service on the board unless he is a citizen of the United States, a qualified voter of his district, and is 30 years of age or older.

(d) ~~(e)~~ Candidates shall be nominated and elected in the manner provided in the Texas Election Code for nomination and election of district officers generally, except as otherwise provided in the Election Code or in this code.

(e) ~~(g)~~ It shall be unlawful for any person, group of persons, organization, or corporation engaged in manufacturing, shipping, selling, storing, advertising textbooks--or in any other manner connected with the textbook business--to make a financial contribution to, or take part in, directly or indirectly, the campaign of any person seeking election to the State Board of Education. It shall likewise be unlawful for anyone interested in selling bonds of any type whatsoever to make a financial contribution to or take part in, directly or indirectly, the campaign of any person seeking election to the board. Anyone convicted of violating the provisions of this subsection shall be punished as prescribed by the penal laws of this state.

(f) ~~(h)~~ At ~~(the general election in 1972, and at)~~ each general election ~~(thereafter)~~ immediately following a decennial reapportionment of ~~(congressional)~~ districts, one member shall be elected to the board from each ~~(congressional)~~ district. Except as provided in Subsection (g) ~~(i)~~ of this section, members of the board serve staggered terms of ~~four~~ **[six]** years with the terms of ~~eight~~ **[one-third]** of the members expiring on ~~January 1~~ **[December 31]** of ~~one odd-numbered~~ **[each even-numbered]** year and the terms of ~~seven~~ of the members expiring on ~~January 1 of the next odd-numbered year~~.

(g) ~~(i)~~ ~~Seven~~ **[One-third]** of the members of the board elected ~~(in 1972 and)~~ at each general election following a decennial reapportionment of ~~(congressional)~~ districts shall serve for terms of two years, ~~(one-third for four years, and eight shall serve~~ **[one-third]** for terms of ~~four~~ **[six]** years. Members shall draw lots to determine which shall serve for terms of two and ~~(four and six)~~ years. ~~[If the total number of members divided by three results in a remainder of one, one additional six-year term shall be filled by lot. If the total number of members divided by three results in a remainder of two, one additional six-year term and one additional four-year term shall be filled by lot.]~~

(h) ~~(j)~~ Each member of the board shall take the official oath of office, and shall be bonded in the amount of \$10,000, in the manner prescribed in Chapter 383, Acts of the 56th Legislature, Regular Session, 1959 (Article 6003b, Vernon's Texas Civil Statutes).

(i) ~~(k)~~ In case of resignation or death of a board member, or in case a position on the board otherwise becomes vacant, the board shall fill such vacancy as soon as possible by appointment of a qualified person from the affected district. The appointee shall hold office only until his successor is duly elected for the remainder of the unexpired term at the next general election and has qualified by taking the required oath and filing the required bond or until expiration of the term of office to which he has been appointed, whichever occurs first.

(j) ~~(l)~~ A vacancy that occurs at a time when it is impossible to place the name of a candidate for the unexpired term on the general election ballot shall be filled by appointment, as specified in Subsection (i) ~~(k)~~ of this section.

(k) ~~(m)~~ Members of the board shall receive no salary but shall be reimbursed for all expenses incurred in attending meetings of the board or incident to any judicial action taken because of appeal from a board order.

(l) *A person who is required to register as a lobbyist under Chapter 422, Acts of the 63rd Legislature, Regular Session, 1973 (Article 6252-9c, Vernon's Texas Civil Statutes), by virtue of his activities for compensation in or on behalf of a profession related to the operation of the board, may not serve as a member of the board or act as the general counsel to the board.*

(m) *Appointments to vacancies on the board shall be made without regard to the race, creed, sex, religion, and national origin of the appointees.*

SECTION 3. Section 11.23(c), Education Code, is repealed.

SECTION 4. (a) The current State Board of Education is abolished, and the governor shall appoint a transitional board in accordance with this section.

(b) The Legislative Education Board shall submit to the governor the names of three persons from each of the 15 districts entitled to representation on the State Board of Education under Section 11.21, Education Code, as amended by this Act. Each nominee must have been a resident of the area encompassed by the district for which he or she is nominated for one year immediately preceding nomination. Section 11.22(b), Education Code, as amended by this Act, does not apply to a person appointed under this section. The governor, with the advice and consent of the senate, shall appoint one of the nominees from each district to the State Board of Education. The Legislative Education Board shall make those nominations and the governor shall make those appointments as soon as possible after this article takes effect. Nominations and appointments shall be made without regard to the race, creed, sex, religion, and national origin of the nominees or appointees.

(c) The terms of the governor's appointees under this section expire January 1, 1989. Fifteen members shall be elected to the State Board of Education at the general election in 1988. Seven of the members elected at that election serve two-year terms expiring January 1, 1991, and eight members serve four-year terms expiring January 1, 1993. Members shall draw lots to determine which serve for terms of two and four years. Thereafter, members serve for terms as provided by Sections 11.22(f) and (g), Education Code, as amended by this Act.

(d) The terms of office of members of the State Board of Education serving on the effective date of this article expire on the date of the first meeting of the appointed board provided for by this section. The chairman of the appointed board, designated by the governor, shall call that meeting as soon as possible after the governor has appointed all members of the board and the members have qualified.

(e) The transitional State Board of Education appointed under this section has all the powers and duties given by law to the State Board of Education. The appointment of the transitional board does not affect the validity of any action taken by or pursuant to the direction of the prior board. Rules adopted by the prior board remain in effect until superseded by rules of the transitional board or a subsequent elected board.

(f) For the 1984 elections, a state, local, or party official is not required to take any action (including issuing certificates of election, canvassing returns, or tabulating results) in regard to the election of a member of the State Board of Education if the terms of office of the elected board expire under this section before the official would otherwise take the action, and for that purpose, the elective office is considered to have not existed.

SECTION 5. Subdivision 1(a), Section 61c, Texas Election Code (Article 6.05c, Vernon's Texas Election Code), is amended to read as follows:

(a) Whenever there are to appear on the ballot for any general, special, or primary election, two or more office titles of offices which are regularly filled at the general election provided for in Section 9 of this code (Article 2.01, Vernon's Texas Election Code), they shall be listed on the ballot in the following relative order:

Federal offices:

President and Vice President
United States Senator
Congressman-at-Large
United States Representative (district office)

State offices:

(1) Statewide offices
Governor
Lieutenant Governor
Attorney General
Comptroller of Public Accounts
State Treasurer
Commissioner of General Land Office
Commissioner of Agriculture
Railroad Commissioner
Chief Justice, Supreme Court
Justice, Supreme Court
Presiding Judge, Court of Criminal Appeals
Judge, Court of Criminal Appeals
(2) District offices

Member, State Board of Education
 State Senator
 State Representative
~~[Member, State Board of Education]~~
 Chief Justice, Court of Appeals
 Associate Justice, Court of Appeals
 District Judge
 Criminal District Judge
 District Attorney
 Criminal District Attorney
 (3) County offices
 County Judge
 Judge, County Court-at-Law
 Judge, County Criminal Court
 Judge, County Probate Court
 County Attorney
 District Clerk
 District and County Clerk
 County Clerk
 Sheriff
 Sheriff and Tax Assessor-Collector
 County Tax Assessor-Collector
 County Treasurer
 County School Superintendent
 County School Trustee (county with population of two million or more, according to the most recent federal census)
 County Surveyor
 Inspector of Hides and Animals
 (4) Precinct offices
 County Commissioner
 Justice of the Peace
 Constable
 Public Weigher.

The headings "federal offices" and "state offices" and the subheadings under "state offices" shall not be printed on the ballot.

SECTION 6. Notwithstanding any other sections to the contrary, should any provision of this part be declared unlawful or violative of 42 U.S.C.A. 1971, et seq., the legislature is hereby authorized to redraw the district lines to comply with the appropriate federal law in accordance with the Texas Constitution.

PART C. POWERS AND DUTIES OF STATE BOARD OF EDUCATION; COMMISSIONER

SECTION 1. Section 1.04(c), Education Code, is amended to read as follows:

(c) Any educational institution supported either wholly or in part by state tax funds shall, if undertaking to provide educational services to any individual within the jurisdiction or geographical boundaries of the educational institution, provide equal educational opportunities to all individuals within its jurisdiction or geographical boundaries pursuant to the provisions of this code and pursuant to the provisions of regulations promulgated by the *State Board of Education* ~~[Central Education Agency]~~ to give effect to the intent of the legislature in its enactment of this code. No individual otherwise eligible for educational services through an educational institution supported either wholly or in part by state tax funds may deny services to any handicapped student as defined in Section 21.503 ~~[18.104]~~ of this code, but the educational institution shall instead be obligated to provide handicapped individuals such special educational services as might from time to time be authorized by law or, where expressly authorized, to assist in and contribute toward the provision of appropriate special educational services in cooperation with other educational institutions and other appropriate agencies, institutions, or departments.

SECTION 2. Sections 11.10(p), (q), and (r), Education Code, are amended to read as follows:

(p) The *State Board of Education* ~~[Central Education Agency]~~ shall apportion the state into not more than eight nor less than five areas each furnishing a regional day school program

for the deaf. Geographic areas of each regional day school program for the deaf may be revised by the *State Board of Education* [*Central Education Agency*] for betterment of education for the deaf. Activities of a regional day school program for the deaf may be conducted on more than one site.

(q) It is the intent of the legislature that local resources be utilized to the fullest practicable extent in the establishment and operation of the regional day school programs for the deaf. The Central Education Agency is authorized and expected to contract with any qualified public or private organization or qualified individuals for diagnostic, evaluation and instructional services or any other services incidental to the education of deaf children, including transportation and/or maintenance.

The Central Education Agency shall employ educational and other personnel, may purchase or lease real or personal property, may accept gifts or grants of real or personal property or services from any source, public or private, including independent school districts and any institution of higher learning in this state, for the purpose of establishing and operating regional day school programs for the deaf.

The *State Board of Education* [*Central Education Agency*] may provide by rule or regulation that upon establishment of each regional school the countywide school(s) in that region shall become a part of the regional school operation and that all equipment, classroom supplies, and other personal property owned by the countywide schools shall become the property of the regional day school. When any such programs are combined, the directors and employees of the former countywide schools shall be employed in appropriate, substantially similar capacities within the regional day school program for that region.

(r) Except for certain transportation costs, costs of operation of the regional day school programs for the deaf shall be borne by the state and paid from the Foundation School Program Fund. Such costs shall be considered and included by the Foundation School Fund Budget Committee in estimating the needs for purposes of the Foundation School Program and the regional day school programs for the deaf. However, funds allocated to countywide schools shall remain so allocated except in those regions in which the countywide program has been made a part of the appropriate region, as aforesaid. [*Funds specially appropriated to the regional day school program by the General Appropriations Act of the 63rd Legislature, or any substitute therefor, shall be used so as to implement as completely as may be possible the provisions of this Act during the next biennium and in accordance with a budget of expenditures approved by the State Board of Education with the first funds; however, hereby required to be expended for staffing and planning of the regional day school program. Such funds may be used in conjunction with funds from the Foundation School Program Fund in accordance with rules and regulations adopted by the Central Education Agency, the allocation and reallocation of which is hereby authorized.*]

While the principal cost of educating deaf children shall be borne by the state, independent school districts and all institutions of higher learning in the state are hereby authorized and encouraged to make available real or personal property or services in cooperation with the regional day school programs for the deaf for any activities related to education and betterment of education of deaf children including but not limited to research and personnel training and development. The school district in which a regional day school is located shall bear the costs of transporting students in the program who live within the district and is entitled to have those students counted in its allotment of transportation funds from the state. The regional day school program shall bear the costs of transporting children who live outside the district to the regional day school. It is the intent of the legislature in enacting this subsection that the use of all of the educational resources of this state be maximized to carry out the intent and objectives of this Act.

SECTION 3. Section 11.12, Education Code, is amended to read as follows:

Sec. 11.12. INVOLVEMENT WITH SCHOOL BUS REGULATIONS. The *State Board of Education* [*Central Education Agency*] and the *State Purchasing and General Services Commission* [*Board of Control*], by and with the advice of the director of the Department of Public Safety, shall have joint and complete responsibility to adopt and enforce regulations governing the design, color, lighting and other equipment, construction, and operation of all school buses for the transportation of school children when owned and operated by any school district or privately owned and operated under contract with any school district in this state, and the regulations shall by reference be made a part of any such contract with a school district. The *State Purchasing and General Services Commission* [*Board of Control*] shall coordinate and correlate all specification data and[,] finalize and issue the specification so adopted as provided for by Article 3, *State Purchasing and General Services Act* (Article 601b, *Vernon's Texas Civil Statutes*) [Section 10, Chapter 304, *Acts of the 55th Legislature, 1955* (Article 664/3, *Vernon's Texas Civil Statutes*)]. In the regulations, emphasis shall be placed on safety

features and long-range, maintenance-free factors, and requiring that all school buses shall be purchased on competitive bids as provided by Section 21.165 of this code [Section 3, Article V, Chapter 334, Acts of the 51st Legislature, 1949 (Article 634(B), Vernon's Texas Civil Statutes)]. Every school district, its officers, employees, and every person employed under contract by a school district shall be subject to these regulations. The State Purchasing and General Services Commission [Board of Control] shall purchase equipment to conform to these standards.

SECTION 4. Sections 11.17(b) and (c), Education Code, are amended to read as follows:

(b) The State Board of Education [agency] shall adopt [make] rules [and regulations] governing the conduct of and participation in the institutes.

(c) Professional and paraprofessional public school personnel who participate in the bilingual education training institutes shall be reimbursed for expenses incurred as a result of their participation in accordance with rules [and regulations] adopted by the State Board of Education [agency].

SECTION 5. Section 11.18(c), Education Code, is amended to read as follows:

(c) Adult education programs shall be provided by public school districts, public junior colleges, and public universities approved in accordance with state statute and the regulations and standards adopted [formulated] by the State Board of Education [Central Education Agency]. The programs shall be designed to meet the education and training needs of adults to the extent possible within available public and private resources. Bilingual education may be the method of instruction for students who do not function satisfactorily in English whenever it is appropriate for their optimum development.

SECTION 6. Section 11.23, Education Code, is amended by adding Subsection (e) to read as follows:

(e) The board may not elect officers by slate, but must take a separate vote to fill each position. A person who serves two consecutive terms as chairman is ineligible to again serve as chairman until four years have elapsed since the expiration of the second term.

SECTION 7. Section 11.25, Education Code, is amended to read as follows:

Sec. 11.25. POWERS AND DUTIES RELATED TO COMMISSIONER OF EDUCATION (a) The state commissioner of education shall be the executive officer through whom the State Board of Education shall carry out its policies and enforce its rules and regulations.

(b) The State Board of Education shall have power to review the commissioner's application of the board's [pass on appeals from decisions made by the commissioner in applying such] rules and regulations.

(c) The State Board of Education shall appoint [; by and with the consent of the Texas Senate and in conformity with the requirements of Section 11.51 of this code,] the state commissioner of education to serve at the will of the board [for a period of four years, beginning June 1 and ending May 31, and may reappoint him for successive terms of four years at a salary to be set by the board].

[(d) The board shall have power to remove the commissioner for conviction of a felony, or of any crime involving moral turpitude, or for wilful and continuous disregard of the board's directions on matters vital to the operation of the Central Education Agency and the public school system.

[(e) When a vacancy occurs by reason of resignation, death, or removal, the board shall appoint a new commissioner for the unexpired term or an acting commissioner to serve at the board's discretion for a total consecutive term of not more than one year.]

(d) [(4)] On recommendation of the commissioner of education, the State Board of Education may authorize the commissioner to appoint as many official commissions composed of citizens of the state as are necessary to advise the commissioner of education in the discharge of his duties. A member of such a commission shall not receive any pay for his services on a commission other than reimbursement for actual expenses incurred. Necessary expenses for the operation of such commissions shall be included in the appropriate operating budget of the Central Education Agency and shall be subject to the same budget controls applied to all other items in the budget.

SECTION 8. Section 11.26, Education Code, is amended to read as follows:

Sec. 11.26. POWERS AND DUTIES RELATED TO EDUCATIONAL NEEDS OF THE STATE. (a) The State Board of Education is the primary policy-making body for public education and directs the public school system in accordance with law.

(b) The board shall review periodically the educational needs of the state, establish goals for the public school system, and adopt and [or] promote four-year plans for meeting these needs and goals. Prior to each regular legislative session, the board shall [; and] evaluate the achievements of

the educational program in relationship to the current four-year plan and report that evaluation to the governor and the legislature.

(c) With the advice and assistance of the state commissioner of education, the State Board of Education shall:

(1) formulate and present to the governor and Legislative Budget Board the proposed budget or budgets for operating the Foundation School Program, the Central Education Agency, and the other programs for which it has responsibility;

(2) adopt operating budgets on the basis of appropriation by the legislature;

(3) establish procedures for budgetary control, expending, auditing, and reporting on expenditures within the budgets adopted;

(4) make to the legislature biennial reports covering all the activities and expenditures of the Central Education Agency;

(5) ~~adopt rules~~ [establish regulations] for the accreditation of schools;

(6) execute contracts for the purchase of instructional aids, including textbooks, within the limits of authority granted by the legislature;

(7) execute contracts for the investment of the permanent school fund, within the limits of authority granted by Chapter 13 of this code;

(8) ~~adopt~~ [prescribe] rules consistent with Chapter 13 of this code [and regulations] for certification of teachers, administrators, and other professional personnel customarily employed in public schools [and for granting certificates for teaching in the public schools of this state, in accordance with Chapter 13 of this code];

(9) consider the athletic necessities and activities of the public schools of Texas and in advance of each regular session of the legislature specifically report to the governor of Texas the proper and lawful division of time and money to be devoted to athletics, holidays, legal and otherwise, and to educational purposes; and

(10) on or before May 15 of each year, formulate and transmit to the Advisory Council on Technical-Vocational Education a list of evaluation topics that address developing and future concerns of the board in the field of technical-vocational education.

(d) [(b)] The State Board of Education shall not adopt any policy, rule, regulation, or other plan which would require any school district within the state, as a prerequisite for accreditation or other approval, to hire any supervisor or any guidance counselor.

[(e) All rules promulgated by the State Board of Education concerning the qualifications of personnel employed to fill the positions classified by the Central Education Agency shall contain the provisions stating that when specifically requested by a local board, persons holding a degree and a permanent teaching certificate, and already employed to fill the positions for which new qualifications are set shall not be disqualified from holding the positions for failure to meet the new qualifications.]

SECTION 9. Section 11.28(c), Education Code, is amended to read as follows:

(c) Except as otherwise provided by this subsection, the State Board of Education [state commissioner of education] shall appoint for each district a board of three trustees, who shall not be required to be residents of the district. For each military reservation independent school district the State Board of Education [commissioner] may appoint a board of three or five trustees. Enlisted military personnel may be appointed to the school board; however, a majority of the trustees appointed for a military reservation district must be civilians and all may be civilians. The trustees shall be selected from a list of persons who are qualified under the general school laws of Texas and who live or are employed on the military reservation. The list shall be furnished by the commanding officer of the military reservation to the board [commissioner of education]. The trustees so appointed shall hold office for two years and until their successors are appointed and qualified.

SECTION 10. Section 11.51(b), Education Code, is amended to read as follows:

(b) The state commissioner of education shall be a person of broad and professional educational experience, with special and recognized abilities of the highest order in organization, direction, and coordination of education systems and programs, and in administration and management of public schools and public education generally. The commissioner of education shall be a citizen of the United States [and shall have been a resident of the State of Texas for a period of not less than five years immediately preceding his appointment. He shall possess good moral character, be eligible for the highest school administrator's certificate currently issued by the State Department of Education, and shall have at least a master's degree from a recognized institution of higher learning. He shall take the oath of office required of other state officials].

SECTION 11. Section 12.63(b), Education Code, is amended to read as follows:

(b) Specific rules as to the requisition, distribution, care, use, and disposal of books may be adopted [made] by the [commissioner of education, subject to the approval of the] State Board of Education. Such rules shall not conflict with the provisions of this code.

SECTION 12. Section 12.65(a), Education Code, is amended to read as follows:

(a) The district school trustees may delegate, under such terms as they deem best, to their employees power to requisition and distribute books and to manage books, but such delegations of authority shall not be at variance with the provisions of this code or with the rules for free textbooks adopted [formulated by the commissioner of education and approved] by the State Board of Education.

SECTION 13. Section 13.032(b), Education Code, is amended to read as follows:

(b) In order to secure professional advice, the State Board of Education shall consider recommendations of the Commission on Standards for the Teaching Profession, after a review by, and with the comments of, the state commissioner of education, in all matters covered by this subchapter. [The State Board of Education shall either accept or reject without amendment all recommendations from the commission presented to it through the commissioner.]

SECTION 14. Section 16.005, Education Code, is amended to read as follows:

Sec. 16.005. **ADMINISTRATION OF THE PROGRAM.** The commissioner of education, in accordance with the rules [approval] of the State Board of Education, shall take such action and [i] require such reports [; and make such rules and regulations] consistent with the terms of this chapter as may be necessary to implement and administer the Foundation School Program.

SECTION 15. Sections 21.008(b) and (c), Education Code, are amended to read as follows:

(b) The State Board of Education [Central Education Agency] shall prepare a curriculum based on the operation of the schools on a two- or three-semester basis. The curriculum shall be so structured that material formerly covered in three three-month quarters is covered in two or three semesters. The curriculum for operation of the schools for three semesters shall be based on at least 70-minute class periods.

(c) Each [For the 1970/1980 school year, a school district may operate schools on either a semester basis or on a quarter system in accordance with prior law. For the 1980/1981 school year, and each year thereafter, each] district shall operate schools on a semester basis in accordance with this section.

SECTION 16. Sections 21.111(a) and (b), Education Code, are amended to read as follows:

(a) The board of trustees of any public free school district of this state, subject to rules and regulations of the State Board of Education [Central Education Agency] heretofore and hereafter adopted, is hereby authorized and empowered to conduct and supervise vocational classes and other educational programs for students of all ages; and whenever it deems necessary to expend local maintenance funds for the cost thereof.

(b) For purposes of conducting and/or supervision by the district of such vocational classes and other educational programs for students of any and all ages, said board of trustees is hereby authorized and empowered to purchase, acquire or lease real or personal property; to contract or enter into agreements with any department or agency of the United States or this state, subject to rules and regulations prescribed by the State Board of Education [Central Education Agency] appertaining to such educational programs; and to contract or enter into agreements with any person, partnership, firm or corporation pertaining to the local operation and supervision of such programs by the district.

SECTION 17. Sections 21.251(c) and (d), Education Code, are amended to read as follows:

(c) Each teacher shall make a monthly report following the directives of either the county superintendent or the State Board of Education [commissioner of education]. The monthly reports must be approved by a majority of the board of trustees of the district and must be filed by the board of trustees with the county superintendent at the time vouchers for teachers' salaries are presented.

(d) Each teacher shall, at the end of the school term, make such reports as may be prescribed by the State Board of Education [commissioner of education]. Until such reports are made, the trustees shall not approve a voucher for the last month of the teacher's salary, nor shall the county treasurer pay the same.

SECTION 18. Section 21.252, Education Code, is amended to read as follows:

Sec. 21.252. **REPORTS TO STATE BOARD [COMMISSIONER].** The State Board of Education [commissioner of education] shall require of judges acting as ex-officio county superintendents of public schools, of county, city, and town superintendents, of county and city

treasurers and depositories, and of treasurers and depositories of school boards, and of other school officers and teachers, such school reports relating to the school fund and to other school affairs as it [he] may deem proper for collecting information and advancing the interests of the public schools, and shall furnish the county, city, and town superintendents, treasurers, and depositories, and other school officers and teachers for the use of such teachers and officers the necessary blanks and forms for making such reports and carrying out such instructions as may be required of them.

SECTION 19. Section 21.456(c), Education Code, is amended to read as follows:

(c) The maximum student-teacher ratio shall be set by the *State Board of Education* [agency] and shall reflect the special educational needs of students enrolled in the programs.

SECTION 20. Section 21.903(b), Education Code, is amended to read as follows:

(b) The funds or other property donated or the income therefrom may be expended by the trustees:

(1) for any purpose designated by the donor so long as that purpose is in keeping with the lawful purposes of the schools for the benefit of which the donation was made; or

(2) for any purpose authorized by *rule of the State Board of Education* [the commission/ or of education] in the event that no specific purpose is designated by the donor.

SECTION 21. Section 23.29(b), Education Code, is amended to read as follows:

(b) The sale must be authorized by a resolution adopted by majority vote of the board of trustees of the independent school district; and the sale and the terms thereof must be approved by the commissioner of education *on the basis of criteria provided by rule of the State Board of Education*.

SECTION 22. Section 23.48, Education Code, is amended by adding Subsection (d) to read as follows:

(d) *The State Board of Education shall require each district, as part of the report required by this section, to include management, cost accounting, and financial information in a form prescribed by the board and sufficient to enable the board to monitor the funding process and determine educational system costs by district, campus, and program. The board shall make every effort to see that this information replaces current information being reported and does not become an additional reporting burden.*

SECTION 23. Section 23.79(a), Education Code, is amended to read as follows:

(a) The bank or banks selected as school depository or depositories in accordance with the terms and provisions of this Act, and the school district shall make and enter into a depository contract or contracts, bond or bonds, or such other necessary instruments setting forth the duties, responsibilities, and agreements pertaining to said depository, in a form and with the content prescribed by the *State Board of Education* [Central Education Agency], attaching to the contract and incorporating in the contract by reference the bid of the depository, and said depository bank shall attach to said contract and file with the school district a bond in an initial amount equal to the estimated highest daily balance to be determined by the board of trustees of the district of all deposits which the school district will have in said depository during the term of the depository contract, less any applicable Federal Deposit Insurance Corporation insurance. Said bond shall be payable to the school district and shall be signed by said depository bank and by some surety company authorized to do business in the state. The depository bank shall increase the amount of the bond if the board of trustees determines it to be necessary to adequately protect the funds of the school district deposited with the depository bank.

SECTION 24. Section 5(a), Chapter 173, Acts of the 47th Legislature, Regular Session, 1941 (Article 6687b, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) No person who is under the age of eighteen (18) years shall drive any motor vehicle while in use as a school bus for the transportation of pupils to or from school. A person who is eighteen (18) years of age or older may not operate a vehicle as a school bus until he has been properly licensed to operate a school bus. It shall be unlawful for any person to be employed to drive a motor vehicle while in use as a school bus for the transportation of pupils who has not undergone a physical examination which reveals his physical and mental capabilities to safely operate a school bus. Such physical examinations shall be conducted annually for each driver. A pre-employment driver's license check shall have been made with the Texas Department of Public Safety prior to the employment and the person's driving record must be acceptable according to standards developed jointly by the *State Board of Education* [Central Education Agency] and the Texas Department of Public Safety. Effective at such date and under provisions as may be determined by the *State Board of Education* [Central Education Agency], the driver of a school bus shall have in his possession a certificate stating he is enrolled in, or has completed, a driver training course in school bus safety education that has been

approved jointly by the *State Board of Education* [~~Central Education Agency~~] and the Texas Department of Public Safety. The bus driving certificate shall remain valid for a period of three years.

SECTION 25. This part does not affect rules adopted under prior law by the commissioner of education, and those rules remain in effect until superseded by rules of the State Board of Education adopted in accordance with the law as amended by this part.

PART D. APPEALS FROM COMMISSIONER'S DECISIONS

SECTION 1. Section 11.03(f), Education Code, is amended to read as follows:

(f) Actions of the board may be appealed *in writing to the commissioner of education, who, after due notice to the parties interested, shall hold a hearing and render a decision without cost to the parties involved, but nothing contained in this section shall deprive any party of any legal remedy. The decision of the commissioner may be appealed to a district court in Travis County* [~~to the State Board of Education in the manner provided for appeal of independent school district actions~~].

SECTION 2. Section 11.061(f), Education Code, is amended to read as follows:

(f) Actions of the board may be appealed *in writing to the commissioner of education, who, after due notice to the parties interested, shall hold a hearing and render a decision without cost to the parties involved, but nothing contained in this section shall deprive any party of any legal remedy. The decision of the commissioner may be appealed to a district court in Travis County* [~~to the State Board of Education in the manner provided for appeal of independent school district actions~~].

SECTION 3. Section 11.13, Education Code, is amended to read as follows:

Sec. 11.13. **APPEALS.** (a) Persons having any matter of dispute among them arising under the school laws of Texas or any person aggrieved by the school laws of Texas or by actions or decisions of any board of trustees or board of education may appeal in writing to the commissioner of education, who, after due notice to the parties interested, shall hold a hearing and render a decision without cost to the parties involved, but nothing contained in this section shall deprive any party of any legal remedy.

(b) *Appeals by or on behalf of a student against a local school district shall be reviewed by the commissioner of education under a substantial evidence standard of review.* [~~The decisions of the commissioner of education shall be subject to review by the State Board of Education.~~]

(c) Any person, county, or school district aggrieved by any action of the Central Education Agency or decision of the commissioner of education may appeal to a district court in Travis County, Texas. Appeals shall be made by serving the commissioner of education with citation issued and served in the manner provided by law for civil suits. The petition shall state the action or decision from which the appeal is taken [~~; and if the appeal is from an order of the State Board of Education, shall also set out the order, or relevant portion thereof~~]. Upon trial the court shall determine all issues of law and fact.

SECTION 4. Sections 13.046(b) and (c), Education Code, are amended to read as follows:

(b) Before an, certificate shall be suspended or cancelled the holder shall be notified and shall have an opportunity to be heard. Any person whose certificate is suspended or cancelled by the state commissioner of education may [~~shall have the right of~~] appeal to a district court in Travis County [~~the State Board of Education~~].

(c) The state commissioner of education has [~~shall have~~] the authority, upon the presentation of satisfactory evidence, to reinstate any teacher's certificate suspended or cancelled under the provisions of this section. On a refusal of the commissioner [~~so~~] to reinstate a certificate, the applicant may [~~shall have the right of~~] appeal to a district court in Travis County [~~the State Board of Education~~].

SECTION 5. Sections 13.115(c) and (d), Education Code, are amended to read as follows:

(c) Either party to an appeal to the commissioner shall have the right to appeal from his decision to a District Court in Travis County. [~~the State Board of Education, according to the procedures prescribed by the State Board of Education. The decision of the State Board of Education shall be final on all questions of fact; but shall be subject to appeal to the district court of any county in which such school district or portion thereof lies, if the decision of the state board:~~

- [(1) is not supported in the record by substantial evidence;
- [(2) is arbitrary or capricious; or
- [(3) is in error in the application of existing law to the facts of the case.

~~[(d) Trial procedure in the district court shall be the same as that accorded other civil cases on the docket of said court, with the decision of the trial court to be subject to the same rights of appeal under the Texas Rules of Civil Procedure as is accorded other civil cases so tried.]~~

SECTION 6. Section 13.214(b), Education Code, is amended to read as follows:

(b) In cases in which ~~[where]~~ the commission, or the panel thereof hearing the matter, ~~recommends [shall recommend]~~ suspension or revocation of the certificate of any member, the commissioner of education may dismiss the complaint on the basis of the record certified to him, or may set the matter for hearing and disposition by the commissioner of education; and from his final decision in the matter, after hearing, ~~an appeal may be taken [shall lie] to a district court in Travis County [the State Board of Education].~~ The party charged by the complaint may appeal the decision of the State Board of Education to the district court of the county of his residence. The trial on appeal in the district court shall be conducted de novo].

SECTION 7. Section 19.005(c), Education Code, is amended to read as follows:

(c) If the annexation is appealed to the commissioner of education and is approved, the transfer is effective on a date set by the commissioner that is not earlier than the 30th day after the date of the commissioner's decision in the appeal. If the decision of the commissioner is appealed to a district court in Travis County ~~[the State Board of Education]~~, the transfer, if approved, is effective on a date set by the court ~~[board]~~.

SECTION 8. Section 21.207(b), Education Code, is amended to read as follows:

(b) ~~Either party may appeal the commissioner's decision to a district court in Travis County [The State Board of Education shall have jurisdiction to hear appeals from such decisions of the State Commissioner of Education].~~

SECTION 9. Sections 32.42(a), (c), and (d), Education Code, are amended to read as follows:

(a) ~~The administrator's decision may be appealed to a District Court in Travis County [If the results of the hearing affirm the denial of a certificate of approval, the applicant may request a hearing before the State Board of Education. Said hearing must be requested within fifteen (15) days after receipt of notice of affirmation of denial. The State Board of Education shall, within thirty (30) days after receipt of the request for hearing, set a time and place for said hearing, and send proper notice to the school of this time and place. At said hearing before the State Board of Education, the applicant may appear in person or by counsel and present arguments to the State Board of Education in support of the granting of the certificate of approval specified herein. The State Board of Education shall consider the appeal from the decision of the administrator on the basis of the record made in the hearing before the administrator.~~

~~[The State Board of Education shall, within ten (10) days of such hearing, issue an order granting or denying a certificate of approval for the operation of a proprietary school and shall state in such order the reasons for its decision].~~

(c) Unless stayed by the Court upon a showing of good cause, the administrator's decision may ~~[Order of the State Board of Education shall]~~ not be superseded during the ~~[such]~~ appeal; ~~if the Court is of the opinion that justice will be served thereby].~~

(d) Upon the filing of the ~~[such]~~ lawsuit, citation shall be served upon the administrator ~~[as agent for the State Board of Education]~~. Whereupon, the administrator shall cause to be made a complete record of all proceedings had before the administrator ~~[and before the State Board of Education]~~, and shall certify a copy of the ~~[such]~~ proceedings to the Court. Trial before the Court shall be upon the basis of the record made before the administrator ~~[and the State Board of Education]~~, and the Court shall make its decision based upon the ~~[such]~~ record. The administrator's decision ~~[of the State Board of Education]~~ shall be affirmed by the Court if the Court finds substantial evidence in the record to justify the decision ~~[of the State Board of Education]~~, unless the Court finds the ~~[such]~~ order to be:

- (1) arbitrary and capricious, or
- (2) in violation of the Constitution or laws of the State of Texas, or
- (3) in violation of rules and regulations promulgated by the State Board of Education pursuant to the provisions of the Act.

SECTION 10. Section 32.42(b), Education Code, is repealed.

SECTION 11. This part applies to a decision rendered by the commissioner of education on or after the effective date of this part. A decision rendered before the effective date of this part may be appealed to the State Board of Education in the manner provided by prior law, and the prior law is continued in effect for that purpose.

PART E. TEXTBOOK ADOPTION

SECTION 1. Section 12.11(e), Education Code, is amended to read as follows:

(e) It shall be the duty of the textbook committee to recommend to the *State Board of Education* ~~[commissioner of education]~~ a complete list of textbooks which it approves for adoption at the various grade levels and in the various school subjects. The committee shall examine carefully all books submitted for adoption and shall prepare and publish for free distribution a list of its recommendations to the *board* ~~[state commissioner]~~.

SECTION 2. Section 12.13, Education Code, is amended to read as follows:

Sec. 12.13. ADOPTION BY STATE BOARD OF EDUCATION. *By majority vote, the* ~~[The]~~ State Board of Education may remove books from the list submitted by the *State Textbook Committee* ~~[commissioner of education]~~, but the board shall not place on the list any book not recommended by the *committee* ~~[commissioner of education]~~, nor shall the board reduce to a single adoption any list for a specific grade or subject in which multiple adoption is recommended by the *committee* ~~[commissioner of education]~~.

SECTION 3. Section 12.34(k), Education Code, is amended to read as follows:

(k) To insure that current material is always available to the schoolchildren of Texas and to enable the development of material in an orderly and efficient manner, the State Board of Education shall develop and implement a balanced adoption cycle for proclamation of needs for textbooks and other instructional materials. At a minimum, the adoption cycle shall:

- (1) extend over a period *not to exceed six* ~~[of]~~ years, determined by the State Board of Education to be the most beneficial and desirable time span to meet the textbook needs of Texas public schools;
- (2) be planned on the basis of a cost to the state of not less than \$15 per scholastic population for the first year of the cycle and adjusted thereafter to account for increasing costs due to inflation of the economy;
- (3) be so arranged that the total cost of new adoptions shall be approximately equal for each year of the proposed cycle, except as adjusted for increasing costs and a growing scholastic population;
- (4) be all-inclusive of all subjects required by statute or by the State Board of Education to be used in the public school system of Texas during the period of time encompassed by the cycle;
- (5) be developed in such a manner that it will operate on a continuing basis so that providers of textbooks and other instructional materials shall be kept advised in advance of the subjects to be called for adoption each year; and
- (6) provide that except under emergency conditions deemed necessary by the State Board of Education, all changes or amendments in the cycle shall be made in such manner and at such time as to give notice of the change to the providers of textbooks and other instructional materials as far in advance as possible.

SECTION 4. Section 12.12, Education Code, is repealed.

PART F. TEXAS SCHOOL LAWS BULLETIN

SECTION 1. Section 11.52(k), Education Code, is amended to read as follows:

(k) The commissioner of education shall have a *manual published at least once every two years that contains the text of this code and an appendix of all other state laws relating to education. The* ~~[printed for general distribution as many copies of the school laws as the]~~ State Board of Education shall ~~[may]~~ determine the distribution of the manual.

ARTICLE II. SCHOOL FINANCE

SECTION 1. Section 16.004, Education Code, is amended to read as follows:

Sec. 16.004. SCOPE OF PROGRAM. Under the Foundation School Program, a school district may receive state financial aid for ~~[minimum]~~ personnel salaries, current operating expenses, categorical *programs* ~~[program aid]~~, and transportation services. The amount of state aid to each school district shall be based on the district's ability to support its public schools.

SECTION 2. Subchapter A, Chapter 16, Education Code, is amended by adding Section 16.006 to read as follows:

Sec. 16.006. AVERAGE DAILY ATTENDANCE. *In this chapter, average daily attendance is determined by the best four weeks of eight weeks of attendance. The State Board of Education by rule shall prescribe the eight weeks for which attendance records must be maintained by all districts for this purpose, except that the records must be kept for four weeks of each regular semester.*

SECTION 3. Section 16.052, Education Code, is amended to read as follows:

Sec. 16.052. OPERATION OF SCHOOLS; INSERVICE AND PREPARATION. (a) Each school district must provide for not less than ~~[175 days of instruction for students and not less than 10 days of inservice training and preparation for teachers for the 1977/1978 school year and not less than]~~ 175 days of instruction for students and not less than eight days of inservice training and preparation for teachers for each school year ~~[thereafter]~~, except as provided in Subsection (c) ~~[(b)]~~ of this section.

(b) ~~Two preparation days must immediately precede the opening of schools for the regular term, and one preparation day must immediately follow the end of each semester. Teachers may not be required to participate in training or other activities outside the classroom on preparation days.~~

(c) The commissioner of education may approve the operation of schools for less than the number of days of instruction and inservice training and preparation otherwise required when disasters, floods, extreme weather conditions, fuel curtailments, or other calamities have caused the closing of the school.

SECTION 4. Section 16.053, Education Code, is amended to read as follows:

Sec. 16.053. ACCREDITATION. ~~Each [Beginning with the 1977/1978 school year each]~~ school district must be accredited by the Central Education Agency.

SECTION 5. Section 16.056, Education Code, is amended to read as follows:

Sec. 16.056. TEXAS PUBLIC EDUCATION COMPENSATION PLAN. (a) School district personnel who are qualified for and employed in positions ~~described [authorized]~~ in Subsection (d) of this section shall be paid not less than the monthly base salary, plus increments for teaching experience, ~~[for the applicable pay grade computed on the basis of the salary index] set forth in Subsection (c) of this section, or greater amounts provided by appropriation [except as otherwise provided by this subsection. The value of each cell in the salary index shall be determined by multiplying the index factor for the cell by \$907 for the 1979/1980 school year and by \$1,048 for each school year thereafter, or by such greater sum as may be provided by the General Appropriations Act. The minimum salary for school district personnel who do not advance one step over the prior year shall be 100 percent of the minimum salary specified for the step in which the individual is placed].~~

(b) An individual shall advance one step for each year of experience until step 10 is reached. ~~[Thereafter, a person must serve at step 10 for two years before advancing to step 11; at step 11 for two years before advancing to step 12; at step 12 for two years before advancing to step 13; and at step 13 for two years before advancing to step 14.]~~ For each year, up to a maximum of two years, of work experience required for certification in a vocational field, a vocational teacher who is certified in that field is entitled to salary step credit as if the work experience were teaching experience. ~~For teachers initially employed for the 1986-1987 school year or thereafter, a teacher may advance beyond step 2 only if the teacher holds a standard or provisional certificate as defined by rules of the State Board of Education, and a teacher may move beyond step 9 only if the teacher holds a professional certificate as defined by those rules.~~

(c) **SALARY SCHEDULE [INDEX] BY STEPS**

0	1	2	3	4	5	6	7	8	9	10
1520	1634	1748	1862	1976	2090	2204	2318	2432	2546	2660

[Current salary index omitted entirely]

(d) The following positions are entitled to the minimum monthly salary set by Subsection (c) of this section for ~~[; pay grades, titles, and except as otherwise authorized by law,]~~ the number of annual contract months specified ~~[for each position under the Texas Public Education Compensation Plan are as follows]:~~

[Pay Grade]	No. Months Paid	Class Title
[1]	10	Educational Aide I
[1]	10	Educational Secretary I
[2]	10	Educational Aide II

[Pay Grade]	No. Months Paid	Class Title
[2]	10	Educational Secretary II
[3]	10	Educational Aide III
[3]	10	Educational Secretary III
[4]	10	Teacher Trainee I
[5]	10	Teacher Trainee II
[5]	10	Certified Nondegree Teacher
[7]	10	Nurse, R.N. and/or Bachelor's Degree
[7]	10	Special Education Related Service Personnel (other than Occupational or Physical Therapist), Bachelor's Degree
[7]	10	Teacher, Bachelor's Degree
[7]	10	Vocational Teacher,
	11	Bachelor's Degree and/or
	12	Certified in Field
[7]	10	Librarian I, Bachelor's Degree
[7]	10	Visiting Teacher I, Psychological Associate, Bachelor's Degree
[8]	10	Special Education Related Service Personnel (other than Occupational or Physical Therapist), Master's Degree
[8]	10	Teacher, Master's Degree
[8]	10	Vocational Teacher,
	11	Master's Degree
	12	
[8]	10	Librarian II, Master's Degree
[8]	10	Physician, M.D.
[9]	10	Teacher, Bachelor of Laws or Doctor of Jurispru- dence Degree
[9]	10	Teacher, Doctor's Degree
[9]	10	Special Duty Teacher, Master's Degree
[10]	10	Occupational Therapist
[10]	10	Physical Therapist
[10]	10	Educational Diagnostician
[10]	10	Visiting Teacher II, Master's Degree

[Pay Grade]	No. Months Paid	Class Title
[10]	10	Counselor I, Psychologist
[10]	10	Supervisor I
[10]	10	Part-time Principal--11 or fewer teachers on campus
[10]	10	Instructional/Administrative Officer I
[11]	10	Assistant Principal--20 or more teachers on campus
[11]	10	Instructional/Administrative Officer II
[12]	11	Principal--19 or fewer teachers on campus
[12]	10	Instructional/Administrative Officer III
[13]	11	Principal--20-49 teachers on campus
[13]	11	Instructional/Administrative Officer IV
[14]	11	Principal--50-99 teachers on campus
[14]	12	Principal--100 or more teachers on campus
[14]	12	Instructional/Administrative Officer V
[15]	12	Instructional/Administrative Officer VI
[15]	12	Superintendent--District with 3,000 or less ADA
[16]	12	Instructional/Administrative Officer VII
[16]	12	Superintendent--District with 3,001-12,500 ADA
[17]	12	Instructional/Administrative Officer VIII
[17]	12	Superintendent--District with 12,501-50,000 ADA
[18]	12	Superintendent--District with 50,000 or more ADA

(e) With the approval of the State Board of Education, the commissioner of education may add additional positions and months of service to the Texas Public Education Compensation Plan to reflect curriculum and program changes authorized by law. ~~[The pay grade assigned to each new position shall be comparable to the pay grade for authorized personnel with similar academic training, experience, and duties.]~~ With the approval of the board, the commissioner shall also develop policies for the implementation and administration of the compensation plan. ~~[The policies shall provide for the adjustment of salaries for~~

~~promotions and demotions within grades and the placement of personnel with prior educational experience into the compensation plan.]~~

~~(f) [(g)] Each person employed in the public schools of this state who is an educational aide, teacher trainee, or nondegree teacher or who is assigned to a position classified under the Texas Public Education Compensation Plan must be certified according to the certification requirements or standards for each position as established by rule adopted by the State Board of Education. However, additional certification may not be required of a person holding a valid state license as a speech language pathologist or audiologist. Persons other than those holding such a license may only be employed to render such services if an acceptable licensed applicant is not available.~~

~~(g) [(h)] The State Board of Education shall prescribe the general duties and required preparation and education for educational aides, teacher trainees, and nondegree teachers and for the positions listed in Subsection (d) of this section under the circumstances described therein.~~

SECTION 6. Subchapter B, Chapter 16, Education Code, is amended by adding Section 16.057 to read as follows:

Sec. 16.057. CAREER LADDER SALARY SUPPLEMENT. (a) *Except as provided by Subsection (c) of this section, each teacher on level two, three, or four of a career ladder is entitled to the following annual supplement in addition to the minimum salary set by this subchapter:*

Level 2 \$2,000

Level 3 \$4,000

Level 4 \$6,000

(b) If the district pays more than the state minimum salary prescribed by this subchapter, the teacher is entitled to the career ladder supplement in addition to the amount otherwise paid by the district for the teacher's step.

(c) If the allotment under Section 16.158 of this code that is designated for support of the career ladder will not fully fund the supplements under this section:

(1) the district may reduce the supplements to not less than the following:

Level 2 \$1,500

Level 3 \$3,000

Level 4 \$4,500 or;

(2) provide for stricter performance criteria than that provided under Section 13.302 of this code, subject to the approval of the State Board of Education; or

(3) take action under both Subdivisions (1) and (2) of this subsection.

SECTION 7. (a) For the 1984-1985 school year, each individual entitled to the minimum salary shall be assigned to the salary schedule at the step on the schedule that entitles the individual to at least \$170 more a month than the individual's prior minimum salary. If no step gives the individual that amount of salary increase, the individual shall be assigned to step 10.

(b) If an individual would not have advanced a step for the 1984-1985 school year under the prior salary index because of the requirement that an individual be at that step for two years before advancing to the next step, the individual shall be assigned to the step on the schedule provided by this Act that entitles the individual to at least \$170 more a month than that next higher step on the prior index.

SECTION 8. Subchapters C, D, and E, Chapter 16, Education Code (other than current Sections 16.104 and 16.176, which are transferred to Chapter 21, Education Code, by other sections of this Act), are revised to read as follows:

SUBCHAPTER C. BASIC ENTITLEMENT

Sec. 16.101. BASIC ALLOTMENT. *For each student in average daily attendance, not including the time students spend each day in special education or vocational education programs for which an additional allotment is made under Subchapter D of this chapter, a district is entitled to an allotment of \$1,290 for the 1984-1985 school year and \$1,350 for each school year thereafter, or a greater amount provided by appropriation.*

Sec. 16.102. PRICE DIFFERENTIAL ADJUSTMENT. (a) *The basic allotment for each district is adjusted by multiplying the amount of the basic allotment by an index factor that reflects the geographic variation in resource costs due to factors beyond the control of the school district.*

(b) *For each school year until a different formula is adopted under Subchapter E of this chapter, the commissioner shall adjust each district's basic allotment by applying the following formula:*

$$ABA = ((BA \times .75) \times PDI) + (BA \times .25)$$

where:

"ABA" is the adjusted basic allotment;

"BA" is the basic allotment; and

"PDI" is the price differential index applicable to the district.

(c) For each school year until a different price differential index is adopted under Subchapter E of this chapter, the price differential index is calculated in accordance with the following formula, as modified by Subsection (d) of this section:

$$PDI = \frac{CATS}{CFTS} + (.10 \times DED)$$

where:

"PDI" is the price differential index applicable to a district;

"CATS" is the total of salaries paid in the preceding year to classroom teachers (not including federally funded teachers) in other districts in the same county as the district for which the calculation is made, except that if there are fewer than three districts assigned to that county by the Central Education Agency for administrative purposes, "CATS" is the total of salaries paid in the preceding year to those teachers in districts contiguous to the district for which the calculation is made;

A district with territory in or contiguous to a county with a population of 1.5 million or more may elect to have CATS calculated for the district on the basis of salaries in both the county to which it is assigned for administrative purposes and the county with a population of 1.5 million or more;

A district with territory in two counties may elect to have CATS calculated for the district on the basis of salaries in both counties.

"CFTS" is the total minimum salary portion of salaries paid in the preceding year to the classroom teachers used to determine CATS; and

"DED" is the percentage of the district's students who are educationally disadvantaged as defined by Section 16.152 of this code.

(d) The commissioner of education shall rank school districts in the order of the index values determined under Subsection (c) of this section. For any district in the bottom five percent of that order, according to the number of districts, the PDI is considered to be 1.00. If the highest actual index value of the districts in that bottom five percent is greater than 1.00, the commissioner shall divide the remaining index value by the highest actual index value of the districts in that bottom five percent. The resulting quotient is the PDI for the remaining districts, except that for any district in the top five percent of the total order, according to the number of districts, the PDI is considered to be that of the lowest index value of the districts in that top five percent.

(e) Notwithstanding other provisions of this section, a school district is entitled to the maximum PDI if located in a county in which the number of full-time state employees at pay grades 10-14, plus the number of public senior college or university faculty at the rank of instructor or a higher rank, employed within the county as of May 31, 1984, exceeds 125 percent of the number of nonfederally funded teachers employed in that county as of that date.

Sec. 16.103. SMALL DISTRICT ADJUSTMENT. (a) The basic allotment for certain small districts is adjusted in accordance with this section. In this section:

(1) "AA" is the district's adjusted allotment per student;

(2) "ADA" is the district's average daily attendance; and

(3) "ABA" is the adjusted basic allotment determined under Section 16.102 of this code.

(b) The average daily attendance of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .0004)) \times ABA$$

(c) The average daily attendance of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .00025)) \times ABA$$

Sec. 16.104. SPARSITY ADJUSTMENT. Notwithstanding Sections 16.101, 16.102, and 16.103 of this code, a school district that has fewer than 130 students in average daily attendance shall be provided an adjusted basic allotment on the basis of 130 average daily attendance if it offers a kindergarten through grade 12 program and has prior year's average daily attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A

district offering a kindergarten through grade 8 program whose prior year's average daily attendance was at least 50 students or which is 30 miles or more by bus route from the nearest high school district shall be provided an adjusted basic allotment on the basis of 75 average daily attendance. An average daily attendance of 60 students shall be the basis of providing the adjusted basic allotment if a district offers a kindergarten through grade 6 program and has prior year's average daily attendance of at least 40 students or is 30 miles or more by bus route from the nearest high school district.

[Sections 16.105-16.150 reserved for expansion]

SUBCHAPTER D. SPECIAL ALLOTMENTS

Sec. 16.151. SPECIAL EDUCATION. (a) For each full-time equivalent student in average daily attendance in a special education program under Subchapter N, Chapter 21, of this code, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by the following amount according to instructional arrangement:

Homebound	5.0
Hospital class	5.0
Speech therapy	10.0
Resource room	2.7
Self-contained, mild and moderate, regular campus	2.3
Self-contained, severe, regular campus	3.5
Self-contained, separate campus	2.7
Multidistrict class	3.5
Nonpublic day school	3.5
Vocational adjustment class	2.3
Community class	3.5
Self-contained, pregnant	2.0

(b) The State Board of Education by rule shall prescribe the qualifications an instructional arrangement must meet in order to be funded as a particular instructional arrangement under Subsection (a) of this section.

(c) In this section, "full-time equivalent student" means 30 hours of contact a week between a special education student and special education program personnel.

(d) The State Board of Education shall adopt rules and procedures governing contracts for residential placement of special education students. The legislature shall provide by appropriation for the state's share of the costs of those placements.

(e) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used in the special education program under Subchapter N, Chapter 21, of this code.

(e-1) Notwithstanding other provisions of this section, for the 1984-1985 school year, each district is entitled to funding for special education programs in accordance with an allocation system adopted by rule of the State Board of Education. The amount allocated may not exceed the amount appropriated for that purpose. In addition, the State Board of Education shall conduct a study of the funding of special education, vocational education, compensatory education, and bilingual education programs on the basis of instructional arrangement and shall make recommendations to the 69th Legislature in regard to the appropriate arrangement classifications and the weights to be assigned to those classifications. This subsection expires September 1, 1985.

Sec. 16.152. COMPENSATORY EDUCATION ALLOTMENT. (a) For each student who is educationally disadvantaged, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.2.

(b) For purposes of this section, the number of educationally disadvantaged students is determined by averaging the best six months' enrollment in the national school lunch program of free or reduced-price lunches for the preceding school year.

(c) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used in providing remedial and compensatory education programs under Section 21.557 of this code, and the district must account for the expenditure of state funds by program and by campus.

Sec. 16.153. BILINGUAL EDUCATION ALLOTMENT. (a) For each student in average daily attendance in a bilingual education or special language program under Subchapter L, Chapter 21, of this code, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.1.

(b) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used in providing bilingual education or special language programs under Subchapter L, Chapter 21, of this code.

Sec. 16.154. EXPERIENCED TEACHER ALLOTMENT. (a) To assist a district in employing and retaining experienced teachers, the district is entitled to an annual allotment determined by the following formula:

$$EXP = \left(\frac{DAS}{SAS} - 1 \right) \times \left(1 - \frac{LEA}{DFSP} \right) \times (.75 \times (DFSP - TA))$$

where:

"EXP" is the experience allotment;

"DAS" is the district's average classroom teacher's minimum salary required under this code;

"SAS" is the statewide average classroom teacher's minimum salary required under this code;

"LEA" is the district's local share under Section 16.252 of this code;

"DFSP" is the total of the district's other foundation school program allotments under this chapter, not including any enrichment equalization allotment; and

"TA" is the district's transportation allotment.

(b) If the formula results in a negative amount, the district is not entitled to an experienced teacher allotment.

Sec. 16.155. VOCATIONAL EDUCATION ALLOTMENT. (a) For each full-time equivalent student in average daily attendance in an approved vocational education program, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 1.45.

(b) The State Board of Education shall conduct a biennial study of the cost differentials among vocational education programs and recommend to the legislature appropriate weights for this section.

(c) In this section, "full-time equivalent student" means 30 hours of contact a week between a student and vocational education program personnel.

[Sec. 16.156 reserved for Transportation Allotment]

[Sec. 16.157 reserved for Enrichment Equalization Allotment]

Sec. 16.158. EDUCATION IMPROVEMENT AND CAREER LADDER ALLOTMENT. (a) Each district is entitled to an allotment for education improvement and support of the career ladder equal to its unadjusted average daily attendance multiplied by the following amount or a greater amount provided by appropriation:

(1) \$100 for the 1984-1985 school year;

(2) \$120 for the 1985-1986 school year; and

(3) \$140 for the 1986-1987 school year and each school year thereafter.

(b) A district may expend 25 percent of the allotment for any legal purpose, shall expend 25 percent of the allotment for payment of salaries for personnel other than classroom teachers, and shall expend 50 percent of the allotment for career ladder salary supplements.

(b-1) Notwithstanding other provisions of this section, of the amounts listed in Subsection (b) of this section a district must expend the following for the payment of career ladder salary supplements: for the 1984-1985 school year, \$30; for the 1985-1986 school year, \$40; for the 1986-1987 school year, \$50. Fifty percent of the balance in those years may be expended for any legal purpose and the remainder shall be spent for salaries for personnel other than classroom teachers. This subsection expires September 1, 1987.

(c) From the funds designated for that purpose, the district shall supplement the salary of each teacher above level one on the career ladder. The district shall decide the amount of supplement to be provided at each career ladder level.

(d) Money received under this section may not be used to supplement the salary of an employee for directing cocurricular or extracurricular activities.

[Sections 16.159-16.175 reserved for expansion]

SUBCHAPTER E. PRICE DIFFERENTIAL INDEX

Sec. 16.176. PURPOSE. The price differential index is designed to reflect the geographic variation in resource costs due to factors beyond the control of school districts.

Sec. 16.177. DATA COLLECTION. (a) The comptroller of public accounts shall biennially collect price information necessary to the development of the price differential index based on an econometric model that considers the effect of school district characteristics on the prices paid in the school district for goods and services.

(b) *The State Board of Education shall by rule prescribe the specifications of the econometric model and shall consult with the price index advisory committee and the comptroller in developing those specifications.*

(c) *The comptroller shall report the data collected to the State Board of Education and the price index advisory committee.*

Sec. 16.178. ADVISORY COMMITTEE. (a) *The State Board of Education shall appoint an advisory committee to advise the board in the development of the price differential index. The committee must be composed of nine persons with the expertise the board considers necessary to the development of the index. A majority of the members of the committee must be business officers of local school districts.*

(b) *Using the data reported by the comptroller of public accounts, the advisory committee shall develop and recommend a price differential index based on an econometric analysis of the prices of goods and services and the effect of school district characteristics on those prices.*

(c) *The comptroller of public accounts shall assist the advisory committee as the committee requests.*

(d) *The Central Education Agency shall provide clerical and staff assistance to the advisory committee.*

(e) *Advisory committee members serve without compensation but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties. Reimbursement is from funds appropriated to the Central Education Agency and available for that purpose.*

Sec. 16.179. BIENNIAL ADOPTION OF INDEX AND FORMULA. *Not later than the 30th day before the first day of each regular session of the legislature, the State Board of Education by rule shall adopt a price differential index based on the information from the econometric model. That index shall be used in adjusting the allotment of foundation school funds under this chapter for the following biennium. The board shall also adopt the formula under which the index is applied to the basic allotment.*

[Sections 16.180-16.200 reserved for expansion]

SECTION 9. Chapter 16, Education Code, is amended by adding a new Subchapter F to read as follows (current Subchapter F, except Section 16.206, is transferred to Chapter 21, Education Code, by another section of this Act):

SUBCHAPTER F. ACCREDITED PROGRAM ACCOUNTABLE COSTS

Sec. 16.201. REPORT. *As part of its biennial report to the legislature, the State Board of Education shall report what it determines to be the annual average accountable costs to school districts in providing quality education programs, personnel, and facilities that meet the accreditation standards prescribed by law and rule.*

Sec. 16.202. ADVISORY COMMITTEE. (a) *The State Board of Education shall appoint an advisory committee to assist the board in determining the annual average accountable costs. The committee must be composed of nine members, a majority of whom must be school principals or superintendents.*

(b) *In making appointments to the committee, the board shall give representation to different geographic areas and different sizes of schools and districts.*

(c) *Members of the committee serve without compensation but are entitled to reimbursement for actual and necessary expenses incurred in performing their duties. Reimbursement is from funds appropriated to the Central Education Agency and available for that purpose.*

Sec. 16.203. LEGISLATIVE CONSIDERATION. *In adopting the amount of the basic, special, and transportation allotments under this chapter, the legislature shall consider the recommendations and report of the State Board of Education as to the annual average accountable costs of a program that meets accreditation standards.*

SECTION 10. Section 16.206, Education Code, is transferred to revised Subchapter D, Chapter 16, is renumbered, and is amended to read as follows:

Sec. 16.156 [16.206]. TRANSPORTATION [CALCULATION OF] ALLOTMENT. (a) *Each district operating a transportation system is entitled to allotments for transportation costs as provided by this section. [The total annual regular transportation cost allotment for each district or county shall be based on the rules and formulas of this section.]*

(b) *As used in this section:*

(1) *"Regular eligible pupil" means a pupil who resides two or more miles from his or her campus of regular attendance, measured along the shortest route that may be traveled on public roads, and who is not classified as an eligible handicapped pupil.*

(2) "Eligible handicapped pupil" means a pupil who is handicapped as defined in Section 21.503 [16.101] of this code and who would be unable to attend classes without special transportation services.

(3) "Linear density" means the average number of regular eligible pupils transported daily, divided by the approved daily route miles traveled by the respective transportation system.

~~[(e) For the 1979/1980 and 1980/1981 school years, allowable total base costs of maintenance, operation, salaries, depreciation, etc., for each bus route shall be:~~

Linear Density Grouping	Allocation per mile of Approved Route
2.40 and above	\$.94
1.65 to 2.40	.75
1.15 to 1.65	.68
.90 to 1.15	.59
.65 to .90	.52
.40 to .65	.48
up to .40	.41

~~[Density grouping shall be based on the 1977/78 data compiled by the commissioner of education pursuant to Section 10, Chapter 1, Acts of the 65th Legislature, 1st Called Session, 1977.]~~

~~(c) Each district operating a regular transportation system is entitled to an allotment based on~~
~~[(d) For the 1981/82 school year and thereafter, the commissioner of education shall determine] the daily cost per regular eligible pupil of operating and maintaining the regular transportation system and [based on] the linear density of that system. In determining the cost, the commissioner shall give consideration to factors affecting the actual cost of providing these transportation services in each district. The average actual cost is to be computed by the commissioner of education and included for consideration by the Foundation School Program Committee and the legislature in the General Appropriations Act. The allotment per mile of approved route may not exceed the amount set by appropriation.~~

~~(d) [(e)] A district may apply for and on approval of the commissioner of education receive an additional amount of up to 10 percent of its regular transportation allotment to be used for the transportation of children living within two miles of the school they attend who would be subject to hazardous traffic conditions if they walked to school. Each board of trustees shall provide to the commissioner the definition of hazardous conditions applicable to that district and shall identify the specific hazardous areas for which the allocation is requested. A hazardous condition exists where no walkway is provided and children must walk along or cross a freeway or expressway, an underpass, an overpass or a bridge, an uncontrolled major traffic artery, an industrial or commercial area, or another comparable condition.~~

~~(e) [(f)] The state commissioner of education may grant an amount set by appropriation [not exceeding \$600 per pupil per year in 1979/1980 and 1980/1981] for private or commercial transportation for eligible pupils from isolated areas. [The per pupil per year allowable for the 1981/1982 school year and thereafter shall be determined by the commissioner of education and included for consideration by the Foundation School Program Committee and the legislature in the General Appropriations Act.] The need for this type of transportation grant shall be determined on an individual basis and the amount granted shall not exceed the actual cost. The grants shall be made only in extreme hardship cases, and no grants shall be made if the pupils live within two miles of an approved school bus route.~~

~~(f) [(g)] The cost of transporting vocational education students from one campus to another inside a district or from a sending district to another secondary public school for a vocational program or an area vocational school or to an approved post-secondary institution under a contract for instruction approved by the Central Education Agency shall be reimbursed based on the number of actual miles traveled times the district's official extracurricular travel per mile rate as set by their local board of trustees and approved by the Central Education Agency.~~

~~(g) [(h)] A school district that provides special transportation services for eligible handicapped pupils is entitled to a state allocation: Allocations for handicapped transportation in district or county-operated school buses shall be paid on a previous year's cost-per-mile basis. The [For the 1979/1980 and 1980/1981 school years, the maximum allowable per mile cost will be 80 cents. For the 1981/1982 and 1982/1983 school years and thereafter, the] maximum rate per mile allowable shall be set by appropriation [recalculated] based on data gathered from the first year of each preceding biennium. Districts may use a~~

portion of their support allocation to pay transportation costs, if necessary. The commissioner of education may grant an amount *set by appropriation* [not to exceed 18 cents per mile or a maximum of \$800 per pupil per year] for private transportation to reimburse parents or their agents for transporting eligible handicapped pupils. [For the 1981/1982 and 1982/1983 school years and thereafter, the rate per mile and the maximum allowable per pupil will be determined by the commissioner of education for consideration by the Foundation School Program Committee and the legislature in the General Appropriations Act.] The mileage allowed shall be computed along the shortest public road from the pupil's home to school and back, morning and afternoon. The need for this type transportation shall be determined on an individual basis and shall be approved only in extreme hardship cases.

(h) [(4)] The allocation for eligible regular students transported by the regular transportation system shall be increased by five percent for any district or county school board which has complied with the provisions of Section 21.173 of this code in accordance with rules adopted by the State Board of Education.

(i) Funds allotted under this section must be used in providing transportation services.

[(4)] The total allocation for a district or county transportation unit for the 1979/1980 or 1980/1981 school year shall not be less than the total allocation received for the 1978/1979 school year based on an equal number of state-approved bus routes. If the district or county has deleted routes, the minimum allocation shall be proportionately reduced.]

SECTION 11. (a) Notwithstanding Section 16.156, Education Code, as amended by this Act, for the 1984-1985 school year, the transportation allotments are set by this section.

(b) The total allowable base costs for each bus route, including maintenance, operation, salaries, and depreciation, are calculated in accordance with the following formula:

Linear Density Grouping	Allocation per mile of Approved Route
2.40 and above	\$1.43
1.65 to 2.40	1.25
1.15 to 1.65	1.11
.90 to 1.15	.97
.65 to .90	.88
.40 to .65	.79
up to .40	.68

(c) The maximum mileage rate for special education transportation is \$1.08 per mile.

(d) The private transportation rate is 25 cents a mile, up to a maximum of \$816 a student, for both special education transportation and transportation from isolated areas.

SECTION 12. Subchapter H, Chapter 16, Education Code, is transferred to revised Subchapter D, Chapter 16, Education Code, is renumbered, and is amended to read as follows:

**[SUBCHAPTER H. EQUALIZATION AID FOR PROGRAM
ENRICHMENT]**

Sec. 16.157 [16.301]. ENRICHMENT [DETERMINATION OF] EQUALIZATION ALLOTMENT [AID ENTITLEMENT]. (a) The amount of the enrichment [state] equalization allotment [aid] to which a district is entitled is determined by the formula:

$$EEA [SEA] = (1 - \frac{DPV/ADA}{(SPV/ADA \times 1.10)}) \times ADA \times MAXENT \times \frac{DTRT}{BTRT}$$

where:

"EEA [SEA]" is the enrichment [state] equalization allotment [aid guaranteed] to the district;

"DPV/ADA" is the [average of the] district's taxable [market] value [and index value] of property as determined pursuant to Section 16.252 [11.86] of this code for local share purposes, divided by the number of students in average daily attendance in the district, which for districts not offering a kindergarten through grade 12 program includes the average daily attendance of eligible students transferred to other school districts in grades not taught by the resident district;

"SPV/ADA" is the [average of the] total statewide taxable [market] value [and index value] of property as determined pursuant to Section 16.252 [11.86] of this code for local share purposes, divided by the total number of students in average daily attendance in the state;

"MAXENT" is the maximum entitlement per ADA, which is a percentage of the total of the district's other foundation school program allocations per ADA, as determined under this chapter, which percentage for the 1984-1985 school year is 35 percent and for each school year thereafter is 30 percent [~~\$200 or a greater amount provided by the General Appropriations Act~~];

"ADA" is the number of students in average daily attendance in the district;

"DTRT/BTRT" is the greater of the following:

(1) the ratio of the district's effective maintenance tax rate to the effective maintenance tax rate necessary for a district at 110 percent of SPV/ADA to raise its local share plus an amount equal to MAXENT; or

(2) the ratio of the district's total effective tax rate to the sum of:

(A) the effective maintenance tax rate necessary to a district at 110 percent of SPV/ADA to raise its local share plus an amount equal to MAXENT, plus

(B) the statewide average effective tax rate for debt service.

(b) If DTRT/BTRT exceeds 1, the value of 1 shall be used in computing a district's equalization entitlement.

(c) In this section, an effective tax rate of a district is the rate that results from dividing the applicable tax levy (maintenance, debt service, or the total of maintenance and debt service) by the total taxable property value of the district used under Section 16.252 of this code for local share purposes.

(d) [~~Sec. 16.302. DISTRICTS IN MAJOR DISASTER AREAS.~~] If a school district is below the property value per pupil necessary to receive equalization funds and is within an area that has been declared a major disaster area by the governor and has suffered a property value loss equivalent to 12-1/2 percent or more of its prior year valuations for tax purposes, the school district shall be eligible under rules and regulations of the commissioner of education for the maximum entitlement provided by this section for the two subsequent school years.

[~~Sec. 16.303. PAYMENT OF STATE AID.~~ (a) The state's equalization aid for program enrichment shall be paid from the Foundation School Fund pursuant to regulations of the State Board of Education.

(b) The legislature in each General Appropriations Act shall set a limit on the amount of funds that may be expended under this subchapter each year. If the amount of state aid required by this subchapter exceeds the limit set by the legislature, the amount of state equalization aid guaranteed to each district shall be reduced proportionately until the total amount of funds required equals that limit.]

SECTION 13. Subchapter G, Chapter 16, Education Code, is amended to read as follows:

SUBCHAPTER G. FINANCING THE PROGRAM

Sec. 16.251. FINANCING; GENERAL RULE. (a) The sum of the *basic allotment under Subchapter C and the special allotments under Subchapter D* [~~approved minimum salaries for personnel, current operating expenses, categorical program aid, and transportation services for each district~~], computed in accordance with the provisions of this chapter, constitute the total cost of the Foundation School Program.

(b) The program shall be financed by:

(1) ad valorem tax revenue generated by an equalized local school district effort;

(2) state available school funds distributed in accordance with law; and

(3) state funds appropriated for the purposes of public school education and allocated to each district in an amount sufficient to finance the cost of each district's Foundation School Program not covered by other funds specified in this subsection.

Sec. 16.252. LOCAL SHARE OF PROGRAM COST. (a) Each school district's share of its [~~guaranteed entitlement under the~~] Foundation School Program shall be an amount determined by the following formula:

$$LFA = \frac{DPV}{SPV} \times (N \times FSP)$$

where:

"LFA" is the district's local share;

"DPV" is the taxable value of property in the district for the prior tax year determined under Section 11.86 of this code;

"SPV" is the total of the taxable values of property in the state for the prior tax year determined under Section 11.86 of this code; '

"N" is a percentage, which for the 1984-1985 school year is 30 percent, and which for each school year thereafter is 33.3 percent; and

"FSP" is the total cost of the Foundation School Program under this chapter, not including experienced teacher allotments or enrichment equalization allotments [equal to the product of an index rate of .0016, or a different rate provided by the General Appropriations Act, multiplied by the index value of property determined pursuant to Section 11.86 of this code. The commissioner of education shall utilize the official biennial report of the State Property Tax Board estimates of index value in each school district for determining the local fund assignment].

(b) No district's local fund assignment as determined pursuant to this section shall exceed 100 percent of its prior year's local fund assignment.

(b) [(e)] The commissioner of education shall adjust the values reported in the official report of the State Property Tax Board to reflect reductions in taxable value of property resulting from natural or economic disaster after January 1 in the year in which the valuations are determined. The decision of the commissioner of education shall be final. *An adjustment does not affect the local fund assignment of any other district.*

(c) Appeals of district values shall be held pursuant to Subsection (e) [(d)] of Section 11.86 of this code.

(d) A district need not raise its total local share of its program cost.

Sec. 16.253. EXCESS OF LOCAL FUNDS OVER AMOUNT ASSIGNED. Local maintenance funds in excess of the amount assigned to a district may be expended for any lawful school purpose or carried over to the next school year.

Sec. 16.254. DISTRIBUTION OF FOUNDATION SCHOOL FUND. (a) The commissioner of education shall determine annually:

(1) the amount of money necessary to operate a Foundation School Program in each school district;

(2) the amount of local funds assigned to each school district for the support of the program; and

(3) the amount of state available school funds distributed to each school district.

(b) The commissioner of education shall then grant to each school district from the Foundation School Program appropriation the amount of funds necessary to provide the difference between Subdivision (1) and the sum of Subdivisions (2) and (3) of Subsection (a) of this section.

(c) The commissioner shall approve warrants to each school district equaling the amount of its grant. Warrants for all money expended according to the provisions of this chapter shall be approved and transmitted to treasurers or depositories of school districts in the same manner as warrants for state apportionment are transmitted.

(d) *Notwithstanding any other provision of this chapter, if for any year the state's share of the Foundation School Program, including enrichment equalization allotments, as determined under this chapter, exceeds the amount appropriated for that year, the commissioner shall reduce each district's allocation per student in average daily attendance by an amount equal to the quotient that results from dividing the excess by the statewide total average daily attendance. [Notwithstanding Subsection (b) of this section, no school district shall receive less state aid, plus pay raises exclusive of service increments for foundation personnel provided by Section 16.055(b) of this code, per student in average daily attendance than it received per student in average daily attendance under the total of the Foundation School Program for the 1980/1981 school year added to the amount received for that year under Subchapter D, Chapter 20 of this code.]*

Sec. 16.255. FALSIFICATION OF RECORDS; REPORT. (a) When, in the opinion of the director of school audits of the Central Education Agency, audits or reviews of accounting, enrollment, or other records of a school district reveal deliberate falsification of the records, or violation of the provisions of this chapter, whereby the district's share of state funds allocated under the authority of this chapter would be, or has been, illegally increased, the director shall promptly and fully report the fact to the State Board of Education and the state auditor.

(b) In the event of overallocation of state funds, as determined by the State Board of Education or the state auditor by reference to the director's report, the Central Education Agency shall, by withholding from subsequent allocations of state funds, recover from the district an amount, or amounts, equal to the overallocation.

Sec. 16.256 [16.257]. FOUNDATION SCHOOL FUND BUDGET COMMITTEE. (a) The foundation school fund budget committee is composed of the governor, the lieutenant governor, and the comptroller of public accounts.

(b) On or before November 1 before each regular session of the legislature, the budget committee shall determine and certify to the comptroller of public accounts an amount of money to be placed in the foundation school fund for the succeeding biennium for the purpose of financing the Foundation School Program as described in this code.

(e) The budget committee may, during the biennium, change the estimate of money necessary to finance the Foundation School Program.

Sec. 16.257. EFFECT OF LOST STATE AID ON TAX INCREASES. (a) The commissioner of education shall calculate for each school district the total amount by which the district's allocations under this chapter are increased or reduced from one school year to the next. For that purpose, the commissioner shall compare the allocations per average daily attendance.

(b) If a district's allocations are reduced, the commissioner shall certify the amount of the reduction to the district. Accordingly, the percentage of tax rate increase that allows voters to limit school district taxes is increased as provided by Section 26.08(g), Tax Code.

(c) This section expires January 1, 1987.

SECTION 14. Section 26.08, Tax Code, is amended by adding Subsections (g) and (h) to read as follows:

(g) If a school district is certified by the commissioner of education under Section 16.257, Education Code, to have incurred reduced state revenue from the preceding year, or if a school district increases its tax rate to qualify for enrichment equalization aid (or increased enrichment equalization aid) under Section 16.157, Education Code, the adopted tax rate that allows voters to seek to limit school taxes under this section must exceed the rate calculated under Section 26.04 of this code by eight percent plus:

(1) the percentage of increase necessary to impose taxes in an amount equal to the certified amount of lost state revenue; and

(2) the percentage of increase necessary to qualify for the enrichment equalization aid.

(h) This subsection and Subsection (g) of this section expire January 1, 1987.

SECTION 15. Section 11.86, Education Code, is amended to read as follows:

Sec. 11.86. DETERMINATION OF SCHOOL DISTRICT PROPERTY [INDEX] VALUES. (a) The board shall conduct an annual [a biennial] study using comparable sales and other generally accepted techniques to determine the total [taxable market] value [and index value] of all taxable property in each school district. The study shall determine the taxable [market] value of all property and of each class of property within the district and the productivity value of all [open space, agricultural, or timber] land that qualifies for appraisal on the basis of its productive capacity and for which the owner has applied for and received a productivity appraisal [pursuant to Article VIII, Section 1(d), of the Texas Constitution or pursuant to any statute enacted pursuant to Article VIII, Section 1(d)(1), of the Texas Constitution]. In conducting the studies, the board shall use appropriate standard valuation, statistical compilation, and analysis techniques [to compute the total market value and productivity value]. For the purposes of this section, [:

[(4)] "taxable [market] value" means market value less:

(1) [(A)] the total dollar amount of any exemptions of part but not all of the value of taxable property required by the constitution or a statute that a district lawfully granted in the year that is the subject of the study; [; or]

(2) [(B)] the total dollar amount of any exemptions granted within a reinvestment zone under agreements authorized by the Property Redevelopment and Tax Abatement Act (Article 1066f, Vernon's Texas Civil Statutes); [; enacted by S.B. No. 17, 67th Legislature, 1st Called Session, 1981; or]

(3) [(C)] the total dollar amount of any captured appraised value of property that is located in a reinvestment zone and that is eligible for tax increment financing under the Texas Tax Increment Financing Act of 1981 (Article 1066e, Vernon's Texas Civil Statutes) [; enacted by S.B. No. 16, 67th Legislature, 1st Called Session, 1981]; [and]

(4) [(D)] "index value" means taxable market value less the difference between the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that [productivity, in no event shall] the productivity value may not exceed the fair market value of the land;

(5) the portion of the appraised value of residence homesteads of the elderly on which school district taxes are not imposed in the year that is the subject of the study, calculated as provided by Section 11.26(e), Tax Code; and

(6) a portion of the market value of property not otherwise fully taxable by the district at market value that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property.

(a-1) Subsection (a)(6) of this section does not apply to a study conducted by the board under this section for a tax year prior to the 1985 tax year. This subsection expires January 1, 1987.

(b) The study shall determine the values as of January 1 of each ~~[odd/numbered]~~ year, beginning January 1, 1985.

(c) The board shall publish preliminary findings, listing values by district, before February ~~[September]~~ 1 of the ~~[each even/numbered]~~ year following the year of the study. Preliminary findings shall be delivered to each school district and shall be certified ~~[and on that date it shall certify its findings]~~ to the commissioner of education.

(d) On request of the commissioner of education or a district, the board shall audit a school district to determine the total taxable value of property in the district, including the productivity values of land only if the land qualifies for appraisal on that basis and the owner of the land has applied for and received a productivity appraisal. The board shall certify its findings to the commissioner.

(e) ~~[(d)]~~ A school district may protest the board's findings under Subsection (c) or (d) of this section within 30 days after the date on which the findings are certified to the commissioner by filing a petition with the board specifying the grounds for its objection. After receipt of a petition, the board shall hold a hearing. If after a hearing the board concludes that its findings should be changed, the board shall order the changes it finds appropriate and shall certify the changes to the commissioner of education. The board shall complete all protest hearings and certify all changes before the 120th day after the date on which the findings under Subsection (c) or (d) of this section are certified ~~[January 1 of each odd/numbered year]~~. Hearings conducted pursuant to this subsection are not contested cases as defined in Subsection (2) of Section 3, Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes). The board shall adopt procedural rules governing the conduct of protest hearings. The rules shall provide each school district with the requirements for submitting a petition initiating a protest and shall provide each school district with adequate notice of a hearing, an opportunity to present evidence and oral argument, and notice of the board's decision on the hearing.

(f) ~~[(e)]~~ A school district may appeal a determination of a protest by the board to the state district court within whose jurisdiction a majority of the area making up the school district is located. An appeal must be filed within 30 days after the date the district receives notification of a final decision on a protest. Review is conducted by the court sitting without a jury. The court shall remand the determination to the board if on review the court discovers that substantial rights of the school district have been prejudiced, and that:

(1) the board has acted arbitrarily and without regard to the facts; or

(2) the finding of the board is not reasonably supported by substantial evidence introduced before the court.

(g) The board shall conduct a study of taxable values in each school district as of January 1, 1984, based upon its determinations of school district index value for 1983. In updating the findings of the 1983 study, the board shall apply historical or statistical data, econometric information, or other appropriate techniques. The board shall publish preliminary results and certify its findings to the commissioner of education before March 1, 1985. A school district may protest the board's findings according to the procedure set forth in Subsection (e) of this section. The board shall complete all protest hearings and certify all changes to the commissioner of education before July 1, 1985. This subsection expires January 1, 1986.

SECTION 16. Section 11.26, Tax Code, is amended by adding Subsection (e) to read as follows:

(e) For each school district in an appraisal district, the chief appraiser shall determine the portion of the appraised value of residence homesteads of the elderly on which school district taxes are not imposed in a tax year because of the limitation on tax increases imposed by this section. That portion is calculated by determining the taxable value that, if multiplied by the tax rate adopted by the school district for the tax year, would produce an amount equal to the amount of tax that would have been imposed by the school district on residence homesteads of the elderly if the limitation on tax increases imposed by this section were not in effect, but that was not imposed because of that limitation. The chief appraiser shall determine that taxable value and certify it to the State Property Tax Board as soon as practicable for each tax year.

SECTION 17. Chapter 2, Education Code, is amended by adding Section 2.12 to read as follows:

Sec. 2.12. **AVERAGE DAILY ATTENDANCE.** In this code, average daily attendance is determined in the manner provided by Section 16.006 of this code.

SECTION 18. Section 26.65, Education Code, is amended to read as follows:

Sec. 26.65. **STATE FUNDS [ADMINISTRATIVE AND INSTRUCTIONAL PERSONNEL].** (a) The commissioner of education shall develop and the State Board of Education shall adopt a formula for the allocation of state funds to a rehabilitation district on a basis similar to that provided for independent school districts, except that ~~[To provide for the continuance of~~

additional programs of instruction and training for handicapped persons between the ages of 6 and 21, inclusive; the District shall be eligible for and allotted administrative units, special service personnel, exceptional child teacher units, vocational education units, and other special education personnel, to the extent herein provided for independent school districts, directly through the Foundation Program of the Central Education Agency. The district shall be eligible to receive state funds for the purpose of educating any handicapped or nonhandicapped scholastic between the ages of 14 and 21, inclusive, who is in need of an alternative school setting. The district is eligible for state funding of educational programs for the handicapped and nonhandicapped scholastics in the form of personnel or resources as provided by current state legislation concerning the distribution of state funds to public schools.

(b) The basis for establishing, operating, and the formula to be used for determining allocation of said administrative units, instructional units, exceptional child/teacher units, vocational education units, and other special education personnel, shall be as required by the Central Education Agency of independent school districts. The district's allocation of principal units, special service units, and supervisor and counselor units shall be computed on eligible exceptional children teacher units in the same manner as other independent school districts' allocation of those units are computed on eligible classroom teacher units, except that the district's allocation shall be limited, computed upon, and restricted to include only children between the ages of 14 and 21, both inclusive. However, no local fund assignment shall be charged to a rehabilitation district.

(b) State funds for the support of a rehabilitation district shall be paid from the foundation school fund and [(e) The cost of approved professional units authorized including the per unit operational cost provided by law] shall be considered by the Foundation School Fund Budget [Program] Committee in estimating the funds needed for Foundation School Program purposes.

(c) [(d)] Nothing in this chapter [Act] is intended to permit double funding of any rehabilitation district by the Central Education Agency, and if and to the extent that any section is so construed, to that extent said section shall be inoperative.

SECTION 19. Subchapter E, Chapter 35, Title 110B, Revised Statutes, is amended by adding Section 35.4041 to read as follows:

Sec. 35.4041. CONTRIBUTIONS BASED ON COMPENSATION ABOVE STATUTORY MINIMUM. (a) For members entitled to the minimum salary for certain school personnel under Section 16.056, Education Code, the employing district shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum.

(b) For purposes of this section, the statutory minimum salary is the salary provided by Section 16.056, Education Code, multiplied by the price differential index applicable under Section 16.102, Education Code, to the district in which the member is employed, plus any career ladder supplement under Section 16.057, Education Code.

(c) The employer's form showing deductions and certification of earnings must provide the retirement system with information sufficient to administer this section, as determined by the system, including information showing the applicable minimum salary as well as aggregate annual compensation.

(d) The employer must remit the amount required under this section to the executive secretary at the same time that the employer remits the member's contribution.

(e) After the end of each school year, the retirement system shall certify to the commissioner of education:

(1) the names of any employing districts that have failed to remit, within the period required by Section 35.406 of this subtitle, all contributions required under this section for the school year; and

(2) the amounts of the unpaid contributions.

(f) If the commissioner of education receives a certification under Subsection (e) of this section, the commissioner shall direct the comptroller of public accounts to withhold the amount certified, plus interest computed at the rate and in the manner provided by Section 35.406 of this subtitle, from the first state money payable to the school district. The amount withheld shall be deposited to the credit of the appropriate accounts of the retirement system.

(g) The board of trustees shall take this section into consideration in adopting the biennial estimate of the amount necessary to pay the state's contributions to the system.

(h) This section does not apply to state contributions for members employed by a school district in a school year if the district's tax rate for maintenance and operation revenues for the tax year that ended in the preceding school year equals or exceeds 125 percent of the statewide average tax rate for school district maintenance and operation revenues for that tax year. For a tax year, the statewide average tax rate for school district maintenance and operation revenues is the tax rate

that, if applied to the statewide total appraised value of taxable property for every school district in the state according to the appraisal roll certified for each district for the tax year as provided by Section 26.01, Tax Code, would produce an amount equal to the statewide total amount of maintenance and operation taxes imposed in the tax year for every school district in the state.

SECTION 20. Subchapter E, Chapter 35, Title 110B, Revised Statutes, is amended by adding Section 35.406 to read as follows:

Sec. 35.406. INTEREST ON CONTRIBUTIONS AND FEES; DEPOSITS IN TRUST. (a) An employing district that fails to remit, before the 11th day after the last day of a month, all member and employer deposits required by this subchapter to be remitted by the district for the month shall pay to the retirement system, in addition to the deposits, interest on the unpaid amounts at an annual rate compounded monthly. The rate of interest is the rate established under Section 35.310(b)(2) of this subtitle, plus two percent. Interest required under this section is creditable to the interest account.

(b) An employing district and its trustees hold amounts due to the retirement system under this subtitle in trust for the retirement system and its members and may not divert the amounts to any other purpose.

SECTION 21. EQUALIZATION TRANSITION. (a) A school district that receives less state aid per student in average daily attendance in a school year than it received in the previous school year and that raises taxes to offset that loss is eligible for state funds to match in part the increased tax levy. Matching funds are payable, in accordance with the schedule provided by this section, for the 1984-1985, 1985-1986, and 1986-1987 school years. This section expires September 1, 1987.

(b) To receive matching funds, the district shall apply to the commissioner. The commissioner shall determine the total amount by which the district's state aid for a school year was less than the amount received for the previous school year (by multiplying the amount lost per student in average daily attendance by the district's current average daily attendance).

(c) A district's entitlement to matching funds is determined by the formula:

$$ETE = N \times DL \times DETR / SETR$$

where:

"ETE" is the equalization transition entitlement;

"N" is a percentage, which for the 1984-1985 school year is 60 percent, for the 1985-1986 school year is 40 percent, and for the 1986-1987 school year is 20 percent;

"DL" is the amount of the district's lost state aid determined under Subsection (b) of this section;

"DETR" is the district's effective tax rate for the prior year; and

"SETR" is the statewide average effective tax rate for the prior year.

(d) If a district's effective tax rate is less than the statewide average effective tax rate, the value of 1 is used for DETR/SETR.

(e) If a district's lost state aid (DL) minus the equalization transition entitlement (ETE) is greater than the total amount by which a district's 1984 maintenance tax levy exceeds the district's 1983 maintenance tax levy, the district's equalization entitlement is adjusted in accordance with the following formula:

$$AETE = (DTI / (DL - ETE)) \times ETE$$

where:

"AETE" is the adjusted equalization transition entitlement;

"DTI" is the amount of the district's increased maintenance tax levy;

"DL" is the amount of the district's lost state aid determined under Subsection (b) of this section; and

"ETE" is the equalization transition entitlement determined under Subsection (c) of this section.

(f) In this section, the effective tax rate is the rate that results from dividing the total of the district's maintenance and debt service tax levy by the total taxable property value of the district used under Section 16.252 of this code for local share purposes.

(g) The total amount expended under this section may not exceed \$70 million for the 1984-1985 school year, \$35 million for the 1985-1986 school year, or \$17.5 million for the 1986-1987 school year. If that amount will not fully fund the grants under this section, the commissioner shall proportionately reduce each district's grant based on the district's percentage of the whole if this section were fully funded.

SECTION 22. (a) The following provisions of the Education Code are repealed:

- (1) Sections 11.311(d) and (e);
 - (2) Section 13.904(e);
 - (3) Section 21.460;
 - (4) Section 21.915; and
 - (5) Subchapter K, Chapter 16, as added by Chapter 675, Acts of the 67th Legislature, Regular Session, 1981.
- (b) The repeal of Sections 11.311(d) and (e) take effect September 1, 1985.

PART B. CREDIT OF CERTAIN REVENUE TO THE FOUNDATION SCHOOL FUND

SECTION 1. Section 101.009(a), Tax Code, is amended to read as follows:

(a) Except as provided by Subsection (b) of this section, all revenues collected from the taxes imposed by the chapters of this title and by Chapter 8, Title 132, Revised Civil Statutes of Texas, 1925, as amended, after deduction of the portion allocated for collection, enforcement, and administration purposes, shall first be deposited in the general revenue fund. After the initial deposit, transfers from the general revenue fund to other funds [the available school fund] shall be made at the time, in the manner, and in the amounts provided by law.

SECTION 2. Section 152.122, Tax Code, is amended to read as follows:

Sec. 152.122. **ALLOCATION OF TAX.** The comptroller shall deposit one-fourth of the funds received under Section 152.121 of this code to the credit of the *foundation [available]* school fund and the remaining three-fourths to the credit of the general revenue fund.

SECTION 3. Section 154.603(a), Tax Code, is amended to read as follows:

(a) After the deduction for the enforcement fund, the revenue remaining of the first \$2 of tax received per 1,000 cigarettes for cigarettes weighing three pounds or less per thousand and the first \$4.10 per 1,000 cigarettes of the tax received for cigarettes weighing more than three pounds per thousand is allocated:

- (1) 18.75 percent to the *foundation [available]* school fund; and
- (2) 81.25 percent to the general revenue fund.

SECTION 4. Section 181.202, Tax Code, is amended to read as follows:

Sec. 181.202. **ALLOCATION OF TAX REVENUE.** One-fourth of the revenue from the tax imposed by this chapter shall be deposited to the credit of the *foundation [available]* school fund and three-fourths to the general revenue fund.

SECTION 5. Section 182.122, Tax Code, is amended to read as follows:

Sec. 182.122. **ALLOCATION OF TAX.** Revenues collected under this chapter are allocated:

- (1) one-fourth to the *foundation [available]* school fund; and
- (2) three-fourths to the general revenue fund.

SECTION 6. Section 191.122, Tax Code, is amended to read as follows:

Sec. 191.122. **ALLOCATION OF TAX.** One-fourth of the revenue collected under this chapter shall be deposited to the credit of the *foundation [available]* school fund and three-fourths to the credit of the general revenue fund.

SECTION 7. Section 201.404, Tax Code, is amended to read as follows:

Sec. 201.404. **ALLOCATION OF REVENUE.** After deducting the amount required to be deposited by Section 201.403 of this code, the comptroller shall deposit one-fourth of the revenue collected from the tax imposed by this chapter to the credit of the *foundation [available]* school fund and three-fourths to the general revenue fund.

SECTION 8. Section 202.353, Tax Code, is amended to read as follows:

Sec. 202.353. **ALLOCATION OF REVENUE.** After deducting the amount required to be deposited by Section 202.352 of this code, the comptroller shall deposit one-fourth of the revenue collected from the tax imposed by this chapter to the credit of the *foundation [available]* school fund and three-fourths to the general revenue fund.

SECTION 9. Section 203.152, Tax Code, is amended to read as follows:

Sec. 203.152. **ALLOCATION OF REVENUE.** One-fourth of the revenue collected from the tax imposed by this chapter shall be deposited to the credit of the *foundation [available]* school fund and three-fourths to the general revenue fund.

SECTION 10. Article 8814, Revised Statutes, is amended to read as follows:

Art. 8814. **APPORTIONMENT OF TAX; TAX LEVY BY COUNTIES AND CITIES.** Except as herein provided in this Chapter, one-fourth (1/4) of the net revenue derived

from this Chapter shall be credited to the *Foundation [Available]* School Fund of the State of Texas and three-fourths (3/4) of the net revenue derived from this Chapter shall be credited to the General Revenue Fund. Provided that all counties and cities within this State may levy an occupation tax on coin-operated machines in this State in an amount not to exceed one-half (1/2) of the State tax levied herein. Further provided that all political subdivisions of this State shall, for zoning purposes, treat the exhibition of a music and skill or pleasure coin-operated machine as indistinguishable from the principal use to which the property where exhibited is devoted. This does not prohibit cities from restricting the exhibition of coin-operated amusement machines within three hundred (300) feet of a church, school, or hospital.

SECTION 11. Article 4.12, Insurance Code, is amended to read as follows:

Art. 4.12. DISPOSITION OF CERTAIN REVENUE. Receipts from the taxes imposed by Articles 4.10 and 4.11 and Sections 11 and 12 of Article 1.14-1 of this code and by Article 4769, Revised Civil Statutes of Texas, 1925, as amended, shall be deposited in the general revenue fund. An amount equal to one-fourth (1/4) of this revenue shall be transferred to the *foundation [available]* school fund, and an amount equal to three-fourths (3/4) of this revenue shall be credited to the general revenue fund.

SECTION 12. Section 205.02(a), Alcoholic Beverage Code, is amended to read as follows:

(a) After allocation of funds to defray administrative expenses as provided in the current departmental appropriations act, receipts from the sale of tax stamps and funds derived from taxes on distilled spirits, wine, beer, and ale and malt liquor shall be deposited in the general revenue fund. An amount equal to one-fourth of the net revenue shall be transferred to the *foundation [available]* school fund, and an amount equal to three-fourths of the net revenue shall be credited to the general revenue fund.

SECTION 13. Section 71.202, Property Code, is amended to read as follows:

Sec. 71.202. DISPOSITION OF REAL PROPERTY [IN PERMANENT SCHOOL FUND]. (a) Real property that escheats to the state under this title *before January 1, 1985*, becomes a part of the permanent school fund. *Real property that escheats to the state on or after January 1, 1985, is held in trust by the Commissioner of the General Land Office for the use and benefit of the foundation school fund. The revenue from all leases, sales, and use of land held for the foundation school fund shall be deposited to the credit of the foundation school fund.*

(b) Before the 91st day after the day on which a judgment that provides for the recovery of real property is rendered, the clerk of the district court rendering the judgment shall send to the Commissioner of the General Land Office:

- (1) a certified copy of the judgment; and
- (2) notice of any appeal of that judgment.

(c) The commissioner shall list real property as escheated *foundation school fund land* or permanent school land as appropriate when the commissioner receives:

- (1) a certified copy of a judgment under which the property escheats to the state and from which appeal is not taken; or
- (2) a certified copy of notice of the affirmance on appeal of a judgment under which the property escheats to the state.

SECTION 14. Section 73.401(c), Property Code, is amended to read as follows:

(c) If the amount in the state conservator fund exceeds \$250,000, the excess shall be transferred to the *foundation [available]* school fund, but the amount in the state conservator fund may not be reduced below \$250,000 by such a transfer.

SECTION 15. Section 30.83, Education Code, is amended by adding Subsection (c) to read as follows:

(c) *The commissioner of education, with the assistance of the comptroller of public accounts, shall determine the amount that the schools governed by this section would have received from the available school fund if H.B. No. 72, Acts of the 68th Legislature, 2nd Called Session, 1984, had not transferred statutorily dedicated taxes from the available school fund to the foundation school fund. That amount, minus any amount the schools do receive from the available school fund, shall be set apart as a separate account in the foundation school fund and appropriated to those schools for educational purposes.*

SECTION 16. Subchapter A, Chapter 11, Education Code, is amended by adding Section 11.031 to read as follows:

Sec. 11.031. ALLOCATIONS OF CERTAIN REVENUE TO TEXAS SCHOOL FOR THE DEAF AND TEXAS SCHOOL FOR THE BLIND. *The commissioner of education, with the assistance of the comptroller of public accounts, shall determine the amount that the Texas School for the Blind and the Texas School for the Deaf would have received from the available school fund*

if H.B. No. 72, Acts of the 68th Legislature, 2nd Called Session, 1984, had not transferred statutorily dedicated taxes from the available school fund to the foundation school fund. That amount, minus any amount the schools do receive from the available school fund, shall be set apart as a separate account in the foundation school fund and appropriated to those schools for educational purposes.

SECTION 17. This part takes effect September 1, 1984, and applies to tax collections received on or after that date, regardless of when the tax is imposed.

ARTICLE III. TEACHERS

PART A. CAREER LADDER

SECTION 1. Section 13.110, Education Code, is amended to read as follows:

Sec. 13.110. RELEASE AT END OF YEAR. Any teacher employed under a continuing contract may be released at the end of any school year and his employment with the school district terminated at that time, or he may be returned to probationary contract employment for not exceeding the three succeeding school years, upon notice and hearing (if requested) as hereinafter provided, for any reason enumerated in Section 13.109 of this code or for any of the following additional reasons:

- (1) ~~inefficiency or~~ incompetency in performance of duties;
- (2) failure to comply with such reasonable requirements as the board of trustees of the employing school district may prescribe for achieving professional improvement and growth;
- (3) willful failure to pay debts;
- (4) habitual use of addictive drugs or hallucinogens;
- (5) excessive use of alcoholic beverages;
- (6) necessary reduction of personnel by the school district (such reductions shall be made in the reverse order of seniority in the specific teaching fields); ~~or~~
- (7) for good cause as determined by the local school board, good cause being the failure of a teacher to meet the accepted standards of conduct for the profession as generally recognized and applied in similarly situated school districts throughout Texas; *or*
- (8) *failure by a person required to take an examination under Section 13.047 of this code to perform satisfactorily on at least one examination under that section on or before June 30, 1986.*

SECTION 2. Section 13.112, Education Code, is amended by adding Subsection (e) to read as follows:

(e) The board shall take such action as it deems lawful and appropriate and shall notify the teacher in writing of that action within 15 days following the conclusion of the hearing.

SECTION 3. Section 21.203(b), Education Code, is amended to read as follows:

(b) The board of trustees of each school district shall establish policies consistent with this subchapter which shall establish reasons for nonrenewal. Reasons for nonrenewal must include the failure of a person required to take an examination under Section 13.047 of this code to perform satisfactorily on at least one examination under that section on or before June 30, 1986.

SECTION 4. Chapter 13, Education Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. CAREER LADDER

Sec. 13.301. CAREER LADDER. *(a) Each teacher shall be assigned to a career ladder level.*

(b) A teacher's career ladder level assignment is based on performance, experience, job-related education, advanced academic training, and job assignments.

(c) Career ladder levels are level one, level two, level three, and level four.

Sec. 13.302. APPRAISAL PROCESS AND PERFORMANCE CRITERIA. *(a) The State Board of Education shall adopt an appraisal process and criteria on which to appraise the performance of teachers for career ladder level assignment purposes. The criteria must be based on observable, job-related behavior, including teachers' implementation of discipline management procedures.*

(b) The board shall solicit and consider the advice of teachers in developing the appraisal process and performance criteria.

(c) In developing the appraisal process, the board shall provide for using not fewer than two appraisers for each appraisal. One appraiser must be the teacher's supervisor and one must be a person as approved by the board of trustees. An appraiser who is a classroom teacher may not appraise the performance of a teacher who teaches at the same school campus at which the appraiser teaches, unless it is impractical because of the number of campuses. The board also shall provide for a uniform training program and uniform certification standards for appraisers to be used throughout the state. The board shall include teacher self-appraisal in the process.

(d) *The State Board of Education shall develop or adopt and validate an assessment instrument which may be administered to administrative and teaching personnel for the purpose of evaluating the performance of those personnel in the jobs for which they were hired. The assessment process may:*

- (1) *be administered by or under the supervision of the Central Education Agency on a statewide basis;*
- (2) *provide opportunities for preparation and remediation;*
- (3) *provide reasonable opportunities for individuals to attain an acceptable score set by the board;*
- (4) *include provision for substitution of the results of alternative assessment instruments approved by the board;*
- (5) *be an integral part of the appraisal process and shall not be considered as a substitute for any evaluation by observation as may otherwise be required; and*
- (6) *be administered by local districts.*

(e) *It is the intent of Subsection (d) of this section that the assessment instrument described therein be used to assess specific skills primarily for the purpose of remediation and improvement.*

(f) *Appraisal for teachers and administrators must be detailed by category of professional skill and characteristic and must provide for separate ratings per category. The appraisal process shall guarantee a conference between teacher and appraisers, or between administrator and appraisers, and the conference shall be diagnostic and prescriptive with regard to remediation as needed in overall summary of performance by category and identify the required performance for advancement to the next level.*

Sec. 13.303. LOCAL ROLE. (a) *Each school district shall use the appraisal process and performance criteria developed by the board in appraising teachers for career ladder level assignment purposes.*

(b) *The school district shall determine the number of appraisers used if the number is to exceed the minimum required.*

(c) *Appraisal shall be done not fewer than two times during each school year. The performance of a teacher who, because of unusual circumstances, is appraised only once in a particular year shall be evaluated for career ladder purposes on the basis of a single appraisal.*

Sec. 13.304. PERFORMANCE CATEGORIES. *In appraisals of teacher performance for career ladder level assignment purposes, performance shall be evaluated in the same manner and under the same criteria regardless of level. Performance shall be evaluated as:*

- (1) *unsatisfactory (if the teacher's performance is clearly not acceptable in some major area);*
- (2) *below expectations (if the teacher's performance needs improvement in some major areas);*
- (3) *satisfactory (if the teacher's performance meets expectations);*
- (4) *exceeding expectations (if the teacher's performance excels in some major areas); or*
- (5) *clearly outstanding.*

Sec. 13.305. CLASSES OF TEACHING CERTIFICATES. (a) **LEVEL ONE.** *A teacher who successfully completes the requirements of the probationary year as provided in Section 13.306 of this subchapter shall be granted a level one certificate. A level one certificate shall be valid for three full years from the date of recommendation by a school district and shall be renewable once for three additional years upon recommendation of the current or last employing school district and with completion of six semester hours at an institution of higher education in an approved program in the area of certification or teaching assignment, or with completion of 90 hours of advanced academic training as approved by the district, or an equivalent combination so that one semester hour of higher education course work is equivalent to 15 hours of academic training.*

(b) **LEVEL TWO.** *A level two certificate shall be valid for five years from the date of recommendation by a school district and shall be renewable. Requirements for the initial level two certificate shall be as follows:*

- (1) *possession of a valid level one certificate;*
- (2) *completion of three years of teaching experience and a bachelor's degree, or two years of teaching experience and a master's degree, or one year of teaching experience with a doctorate; and*
- (3) *recommendation by the current or last employing school district. The level two certificate shall be renewable upon compliance with the following requirements:*
 - (1) *possession of a valid level two certificate;*
 - (2) *completion of six semester hours of upper division or graduate studies course work beyond the bachelor's degree in an approved program in the area of certification or teaching assignment, or completion of 90 hours of advanced academic training as approved by the school district, or an equivalent combination; and*

- (3) recommendation by the current or last employing school district.
- (c) **LEVEL THREE.** A level three certificate shall be valid for five years from the date of recommendation by a school district and shall be renewable. Requirements for the initial level three certificate shall be as follows:
- (1) possession of a valid level two certificate;
 - (2) completion of eight years of teaching experience and a bachelor's degree, or five years of teaching experience and a master's degree, or three years of teaching experience and a doctorate; and
 - (3) recommendation by the current or last employing school district. The level three certificate shall be renewable upon compliance with the following requirements:
 - (1) possession of a valid level three certificate;
 - (2) completion of six semester hours of upper division or graduate studies course work beyond the current certificate requirements in an approved program in the area of certification or teaching assignment, or completion of 90 hours of advanced academic training as approved by the school district, or an equivalent combination; and
 - (3) recommendation by the current or last employing school district.
- (d) **MASTER TEACHER CERTIFICATE.** A master teacher certificate shall be valid for life. Requirements for the master teacher certificate shall be as follows:
- (1) possession of a valid level three certificate;
 - (2) eleven years of teaching experience and a bachelor's degree, or eight years of teaching experience and a master's degree, or five years of teaching experience with a doctoral degree in an approved program of study; and
 - (3) recommendation by the current or last employing school district.
- (e) A school district shall recommend a teacher for appropriate certificate level if the teacher is evaluated satisfactory, exceeding expectation, or clearly outstanding and meets the other requirements specified in this section.
- Sec. 13.306. PROBATIONARY YEAR.** (a) The first year of teaching shall be probationary, with the following requirements for a teacher to enter into an initial contract for teaching:
- (1) completion of a baccalaureate degree, or other requirements as established by the State Board of Education;
 - (2) completion of an approved teacher education program or admission into an alternative certification program;
 - (3) recommendation by an approved institution of higher education; and
 - (4) satisfactory scores on a comprehensive examination as prescribed by rule of the State Board of Education under Section 13.032 of this code.
- (b) At the end of the probationary year, a teacher shall demonstrate satisfactory performance in every appraisal category in order to receive district recommendation for level one certification and entry to level one.
- (c) In the event that a first year teacher fails to perform satisfactorily in each category of appraisal, the probationary level may be extended to a second year upon recommendation of the district, and the teacher shall be retained at the beginning salary level. The district shall be required to prescribe specific remediation for the second probationary year.
- (d) In the event that a probationary teacher fails to perform satisfactorily in each category of appraisal at the end of the second year, the teacher's contract shall not be renewed for one year and thereafter until such time as the teacher completes remedial instruction as recommended by the appraisal team that evaluated that teacher.
- Sec. 13.307. LEVEL ONE ENTRY.** (a) To enter level one, a teacher must hold a level one certificate.
- (b) A district may not renew the contract of a teacher who fails to achieve at least satisfactory performance during either of the first two years of experience at level one.
- Sec. 13.308. LEVEL TWO ENTRY.** To enter level two, a teacher must have at least performance exceeding expectations during the preceding year and satisfactory performance the other year(s), hold a level two certificate, and must have:
- (1) a B.A. or B.S. degree, three years of teaching experience, and nine semester hours of higher education course work or 135 hours of advanced academic training or an equivalent combination so that one semester hour of higher education course work is equivalent to 15 hours of advanced academic training; or
 - (2) an M.A. or M.S. degree in the subject taught and two years of teaching experience.
- Sec. 13.309. LEVEL THREE ENTRY.** To enter level three, a teacher must hold a level three certificate and must have:
- (1) at least performance exceeding expectations during three of the preceding four years and at least satisfactory performance during the other year, five years of teaching at level two,

and six semester hours of higher education course work or 90 hours of advanced academic training or an equivalent combination so that one semester hour of higher education course work is equivalent to 15 hours of advanced academic training; or

(2) clearly outstanding performance during two of the preceding three years and at least satisfactory performance during the other year, three years of teaching at level two, and three semester hours of training or an equivalent combination so that one semester hour of higher education course work is equivalent to 15 hours of advanced academic training.

Sec. 13.310. LEVEL FOUR ENTRY. To enter level four, a teacher must hold a master teacher certificate and must have:

(1) clearly outstanding performance during two of the preceding three years and at least satisfactory performance during the other year, three years of teaching at or above level three, satisfactory performance on the master teacher examination, and six semester hours of higher education course work or 90 hours of advanced academic training or an equivalent combination so that one semester hour of higher education course work is equivalent to 15 hours of advanced academic training; or

(2) clearly outstanding performance during three consecutive years, two years of teaching at or above level three, at least satisfactory performance on the master teacher examination, and three semester hours of higher education course work or 45 hours of advanced academic training or an equivalent combination so that one semester hour of higher education course work is equivalent to 15 hours of advanced academic training.

Sec. 13.311. LEVEL FOUR MAINTENANCE. (a) To remain at level four, a teacher must have:

(1) clearly outstanding performance during two of every three years and at least satisfactory performance during the other year, been teaching in a classroom for not less than 60 percent of the school day, performance of two master teacher duties every three years, and three semester hours of higher education course work or 45 hours of advanced academic training or an equivalent combination so that one semester hour of higher education course work is equivalent to 15 hours of advanced academic training; or

(2) clearly outstanding performance each year, been teaching in a classroom for not less than 60 percent of the school day, and performance of two master teacher duties every three years.

(b) A teacher shall be reassigned from level four to level three if the teacher does not meet the requirements of this section.

Sec. 13.312. LEVEL TWO OR THREE MAINTENANCE. (a) A teacher shall be reassigned from career ladder level three to career ladder level two if the teacher has not better than satisfactory performance at level three for two consecutive years.

(b) A teacher shall be reassigned from career ladder levels three or two, as applicable, to career ladder level one if the teacher's performance is below expectations.

(c) In the event that a school district determines that reassignment to a lower level resulted from performance appraisals that were influenced by extraordinary personal circumstances and the teacher receives a clearly outstanding performance appraisal in the year following reassignment, the school district may reinstate the teacher to the former level. In any other case, a teacher reassigned under this section may reenter higher levels only by requalifying under the performance standards for entry into the higher levels.

Sec. 13.313. REASSIGNMENT OF DUTIES. If a school district reassigns a teacher to another grade level or another subject over the objections of the teacher, the teacher may not be reassigned to a lower career ladder level on the basis of performance appraisals during the first three years in which the teacher teaches the new grade level or subject.

Sec. 13.314. OUT-OF-STATE TEACHERS ENTERING CAREER LADDER PROGRAM. A teacher who holds a teaching certificate from another state may enter the career ladder program at the level assigned by the school district, at the commensurate salary step, under a probationary contract, with the following requirements:

(1) at the end of the first year teaching in the state, the teacher must meet the requirements as established for that level, other than the requirement for the prior certificate held;

(2) in the event that such requirements are not met satisfactorily, the teacher shall be maintained at the level below assignment with no salary step increase; and

(3) failure to achieve satisfactory requirements after the end of the second year of teaching shall result in termination of contract. Upon satisfactory achievement of level requirements, the district may recommend certification for that level as established in Section 13.303 of this chapter.

Sec. 13.315. HIGHER EDUCATION COURSE WORK AND ADVANCED ACADEMIC TRAINING. (a) Higher education course work and advanced academic training must relate to the general subject area taught and must be accredited by the board.

(b) The board shall include classroom management training among the advanced academic training it accredits and shall specify the amount of classroom management training required at each level.

Sec. 13.316. MASTER TEACHER COMPREHENSIVE EXAMINATION. (a) The board shall promulgate rules for the active participation of classroom teachers in developing and administering a comprehensive master teacher examination and shall adopt guidelines for determining the level of performance that is considered satisfactory. The board shall promulgate rules for the active participation of school librarians in developing and administering an examination to be given to public school librarians and shall adopt guidelines for determining the level of performance that is considered satisfactory.

(b) The examination must include oral and written tests and other assessment instruments.

Sec. 13.317. MASTER TEACHER DUTIES. The board shall define master teacher duties. Among the duties that must be included are supervising student teachers; acting as team leader, mentor, or department chairman; conducting advanced academic training; and assessing level four candidates. The master teacher shall be, insofar as is practicable, maintained in the classroom and shall not be assigned duties of an administrator. However, this provision shall not prohibit the master teacher from serving on an evaluation team.

Sec. 13.318. APPRAISAL ON BASIS OF CLASSROOM TEACHING PERFORMANCE. A teacher who directs extracurricular activities in addition to performing classroom teaching duties shall be appraised only on the basis of classroom teaching performance and not on performance in connection with the extracurricular activities.

Sec. 13.319. FINALITY OF DISTRICT DECISION. A decision of the district is final and is subject to appeal only if the decision of the district was arbitrary and capricious or made in bad faith.

Sec. 13.320. NOT PROPERTY RIGHT. A teacher who has earned a level one, level two, level three, or master teacher certificate in accordance with this chapter has a right to retain that certificate until it has expired or is duly suspended, revoked, or otherwise removed in accordance with law. However, assignment to career ladder level one, level two, level three, or level four is neither a property right nor the equivalent of tenure.

Sec. 13.321. TRANSFER BETWEEN DISTRICTS. (a) A teacher is entitled to transfer a career ladder level assignment between districts, and a district may recognize the appraisal of a district previously employing the teacher in determining a career ladder level assignment.

(b) A teacher may waive entitlement to a particular career ladder level assignment when changing employment from one district to another.

Sec. 13.322. CREDIT RETAINED. A teacher is entitled to retain credit given before the effective date of this subchapter for higher education course work or advanced academic training. A teacher is also entitled to be given credit for higher education course work or advanced academic training begun before and in progress on the effective date of this subchapter if the teacher would have been given credit for the course if it had been completed before that date.

Sec. 13.323. EFFECT ON OTHER RIGHTS. Nothing in this subchapter affects a teacher's rights to challenge nonrenewal of a contract under Subchapter G, Chapter 21, of this code, or affects a teacher's rights to challenge discharge during the year, dismissal at the end of the year, or the return to probationary contract status under Subchapter C, Chapter 13, of this code, or affects a teacher's right to present grievances under Chapter 135, Acts of the 50th Legislature, Regular Session, 1947 (Article 5154c, Vernon's Texas Civil Statutes).

SECTION 5. (a) Notwithstanding the requirements of Subchapter E, Chapter 13, Education Code, as added by this Act, for the 1984-1985 school year each teacher shall be assigned to level one or level two on the career ladder. A teacher may be assigned to level two if the teacher has the years of experience (without regard to experience at a particular career ladder level) and education (including courses and training for which the teacher retains credit under Section 13.322, Education Code) required to enter level two. The determination of a teacher's eligibility to enter level two under this subsection will be made by a committee or committees appointed by the school district. Each committee shall include one principal, one person from central administration who has direct responsibility for personnel, and one other administrator. This three-member committee shall designate two teachers as level two teachers who shall then become members of the committee for purposes of review of all remaining teachers. The committee shall consider a teacher's past performance as a criterion for placement on level two.

(b) A teacher may enter level two in the 1985-1986 or the 1986-1987 school year if the teacher has the years of experience (without regard to experience at a particular career ladder level), education (including courses and training for which the teacher retains credit under Section 13.322, Education Code), and performance appraisals required to enter level two.

PART B. TEACHER RETIREMENT

SECTION 1. Section 13.003, Education Code, is amended to read as follows:

Sec. 13.003. RETIREMENT. Retirement of teachers and other personnel is governed by *Subtitle D, Title 110B, Revised Statutes [Chapter 3 of this code]*.

SECTION 2. (a) A person receiving an annuity from the Teacher Retirement System shall be entitled to an increase in monthly payments if the date of retirement or death of the member on whose account the benefit is based occurred on or before August 31, 1982. The increase shall not apply to survivor's benefits or to disability retirement benefits for persons with less than 10 years of creditable service with the retirement system. The amount of the increase shall be:

(1) 9.5 percent if the date of retirement (or date of death in the case of death benefit annuities) occurred on or before August 31, 1970;

(2) 5 percent if the date of retirement (or date of death in the case of death benefit annuities) occurred after August 31, 1970, but on or before August 31, 1975;

(3) 4 percent if the date of retirement (or date of death in the case of death benefit annuities) occurred after August 31, 1975, but on or before August 31, 1978;

(4) 3 percent if the date of retirement (or date of death in the case of death benefit annuities) occurred after August 31, 1978, but on or before August 31, 1982.

(b) The increases provided by this section shall not apply to annuities calculated on an average compensation factor that exceeded \$25,000.

(c) The increase provided by this section shall begin with the payment due at the end of August, 1984.

(d) The increases provided in this section shall be funded by and are conditioned upon the restoration to the retired reserve account of the amounts released from that account by the increase in the assumed rate of earnings adopted by the State Board of Trustees of the Teacher Retirement System of Texas on March 16, 1984.

PART C. TEACHER AND ADMINISTRATOR TESTING AND CERTIFICATION

SECTION 1. Section 13.032(e), Education Code, is amended to read as follows:

(e) The State Board of Education by rule shall require satisfactory performance on a competency examination of basic skills prescribed by the board as a condition to admission into an approved teacher education program. In addition, the board by rule shall require satisfactory performance after graduation from an in-state or out-of-state teacher education program on a comprehensive examination prescribed by the board as a condition to full certification as a teacher and shall require satisfactory performance on a separate examination prescribed by the board as a condition to certification as a superintendent or other administrator. *The board shall prescribe an examination designed to test knowledge appropriate for certification to teach primary grades and an examination designed to test knowledge appropriate for certification to teach secondary grades. The secondary teacher examinations must test knowledge of each examinee in the subject areas listed in Section 21.101 of this code in which the examinee will be certified to teach. The administrator examinations must test administrative skills and knowledge in subject areas and other matters as the board considers appropriate. The board, in conjunction with school districts, shall provide candidates for teacher or administrator certification with an opportunity for board-developed preparation for the certification examination. The board may limit the number of times a candidate for certification who fails to perform satisfactorily on the certification examination may retake it, but each candidate must be given more than one opportunity to perform satisfactorily. The board shall prescribe the method of determining the satisfactory level of performance on a test under this subsection.*

SECTION 2. The State Board of Education shall provide for administering the certification examination required by this part not later than the beginning of the 1985-1986 school year.

SECTION 3. Subchapter B, Chapter 13, Education Code, is amended by adding Section 13.047 to read as follows:

Sec. 13.047. EXAMINATION FOR TEACHERS AND ADMINISTRATORS NOT TAKING CERTIFICATION EXAMINATIONS. (a) *The board shall require satisfactory performance on an examination prescribed by the board as a condition to continued certification for each teacher and administrator who has not taken a certification examination under Section 13.032(e) of this code.*

(b) *The board shall prescribe an examination designed to test knowledge appropriate to teach primary grades and an examination designed to test knowledge appropriate to teach secondary grades. The secondary teacher examinations must test the knowledge of each examinee in the subject areas listed in Section 21.101 of this code in which the examinee is certified to teach and is*

teaching. If a teacher is not tested in an area of certification, the teacher must take the examination for that area within three years after beginning to teach that subject. The administrator examinations must test administrative skills, knowledge in subject areas, and other matters that the board considers appropriate. The examinations must also test the ability of the examinee to read and write with sufficient skill and understanding to perform satisfactorily as a professional teacher or administrator.

(c) In developing the examinations, the board shall solicit and consider the advice of classroom teachers and administrators.

(d) Each teacher must perform satisfactorily on the applicable examination on or before June 30, 1986, to teach the subject at a particular level unless a school district establishes to the satisfaction of the commissioner of education that there is emergency need. A teacher may not teach under a determination of emergency need for more than one school year.

(e) The board, in conjunction with school districts, shall provide teachers and administrators with an opportunity for board-developed preparation for the examinations, including an opportunity for remedial aid.

(f) The board may limit the number of times a teacher or administrator who fails to perform satisfactorily on an examination may retake it, but each teacher must be given more than one opportunity to perform satisfactorily. The board shall determine the level of performance that is satisfactory.

(g) The board may exempt from the examination required by this section any person who, before the examination adopted under this section is prescribed, performed satisfactorily on an examination administered by an employing district if the board finds the examination to be substantially the same or at least as difficult as the examination prescribed by the board.

SECTION 4. The examinations prescribed by Section 13.032(e) and Section 13.047 of the Education Code are the only examinations allowed to be utilized for the purpose of testing teacher and administrator competency.

PART D. MINIMUM TEACHING DUTIES

SECTION 1. Subchapter Z, Chapter 13, Education Code, is amended by adding Section 13.907 to read as follows:

Sec. 13.907. MINIMUM TEACHING DUTIES. Each teacher, including a teacher who directs extracurricular activities, shall teach in the classroom not less than four hours each school day.

PART E. SUPERVISOR TRAINING AND CERTIFICATION

SECTION 1. Subchapter Z, Chapter 13, Education Code, is amended by adding Section 13.908 to read as follows:

Sec. 13.908. SUPERVISOR TRAINING AND CERTIFICATION. (a) The State Board of Education shall provide for training individuals who supervise teachers. Among the areas of supervisory training that shall be emphasized are communication, counseling, goal-setting, and teacher review.

(b) The board shall adopt a procedure for certifying individuals who have been trained in supervising teachers.

PART F. DUTIES OF ADMINISTRATORS

SECTION 1. Chapter 13, Education Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. SUPERINTENDENTS AND PRINCIPALS

Sec. 13.351. SUPERINTENDENTS. (a) The superintendent is the educational leader and the administrative manager of the school district.

(b) The qualifications for certification as a superintendent must be sufficiently flexible so that an outstanding educator may qualify by substituting approved experience and professional training for part of the educational requirements.

Sec. 13.352. PRINCIPALS. (a) The principal of a school is the instructional leader of the school and shall be provided with adequate training and personnel assistance to assume that role. Within guidelines established by each district administration, the principal shall organize the leadership structure in each school by using senior and master teachers and school administrators to develop instrumental teams.

(b) The qualification for certification as a principal must be sufficiently flexible so that an outstanding teacher may qualify by substituting approved experience and professional training for part of the educational requirements. Supervised and approved on-the-job experience in addition to required internship shall be accepted in lieu of classroom hours.

(c) *An employment contract for a principal must be for either 11 or 12 months so that the principal has adequate time for planning and preparation.*

(d) *Each principal shall:*

- (1) *participate in the selection of teachers for that principal's campus;*
- (2) *set specific education objectives for his campus, involving staff in the planning process;*
- (3) *develop budgets for his campus; and*
- (4) *work with school professionals to prepare individual development plans.*

(e) *The board of trustees of each district shall adopt a policy that provides for selected principals to periodically give verbal reports to the board.*

Sec. 13.353. MANAGEMENT SKILLS AND PRACTICES. (a) *Each school district shall offer in-service training in management skills for district administrators, including principals and superintendents. The programs must be consistent with standards or models adopted by the State Board of Education and must be flexible and draw from a variety of offerings both in and out of state.*

(b) *Each principal and superintendent shall attend the in-service training and continuing education in management as required by rule of the State Board of Education.*

(c) *The training and education required by this section must emphasize the methodology for general management, instructional leadership, and teacher evaluation.*

(d) *The State Board of Education by rule shall provide for substituting management training or experience for part of the qualifications for certification as a principal or superintendent.*

PART G. MANAGEMENT TRAINING PILOT PROGRAM

SECTION 1. (a) *The State Board of Education shall develop a pilot program to provide a training course for school superintendents and principals in management techniques.*

(b) *In planning the program, the board shall consult the business department or college of the accredited institution of higher education in this state that the board determines is the most appropriate for assisting with the program. The board shall also solicit comments and suggestions regarding the development and content of the program from:*

- (1) *each college of education of an accredited institution of higher education in this state; and*
- (2) *each association or organization that represents superintendents or principals that the board determines is interested in the program.*

(c) *The business department or college consulted under Subsection (b) of this section shall present the training course not later than September 1, 1985. The course shall consist of two to four weeks of instruction involving at least 100 superintendents and principals selected from a cross-section of the state's school districts with respect to size, location, wealth, student population, and other factors that the board determines are relevant. The course must provide instruction in various areas of management skills and techniques essential to the effective administration of the schools, including:*

- (1) *organization;*
 - (2) *personnel management; and*
 - (3) *accounting.*
- (d) *This section expires June 1, 1987.*

SECTION 2. (a) *The board shall report to the Regular Session of the 69th Legislature regarding the progress of developing the management training pilot program established under Section 1 of this part.*

(b) *The board shall report to the Regular Session of the 70th Legislature following completion of the pilot program. The report must include the board's conclusions regarding the success of the program and necessity of implementing a similar program permanently.*

SECTION 3. *The legislature may appropriate funds for the implementation of a management training pilot program established under Section 1 of this part in an amount not to exceed \$50,000.*

PART H. ALTERNATIVE CERTIFICATION; NONCERTIFIED INSTRUCTORS

SECTION 1. *Subchapter B, Chapter 13, Education Code, is amended by adding Section 13.035 to read as follows:*

Sec. 13.035. ALTERNATIVE CERTIFICATION. (a) *The State Board of Education by rule shall provide for the certification of persons who are not graduates of teacher education programs.*

(b) *The rules must provide for the persons being certified to satisfactorily complete:*

- (1) *any examinations required generally for certification, except that a person certified under this section shall be exempted from taking any examination or portion of an examination*

that is designed to test knowledge of pedagogical methods, history of education, or child psychology;

(2) a one-year internship under the supervision of an experienced, certified teacher;

(3) teaching method and classroom management training prescribed by the board; and

(4) an appropriate number of semester hours credit, as determined by the State Board of Education, from an accredited institution of higher education and in the area in which the person is to be teaching.

(c) The internship provided for by Subsection (b)(2) of this section is a year of teaching experience for purposes of the career ladder.

SECTION 2. Chapter 13, Education Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. TECHNOLOGY EDUCATION PROGRAMS IN PUBLIC SCHOOLS

Sec. 13.501. STATE POLICY. (a) The legislature finds that the economic well-being of Texas and the United States, including our competitiveness in national and world markets, is increasingly dependent on technology and will require a citizenry that possesses general and specific skills in mathematics, science, computer science, and related technological subjects. The public schools are responsible for imparting these skills to students but are increasingly unable to meet this obligation successfully because of a decline in the number of qualified and certified persons seeking to teach these subjects.

(b) It is the purpose of this subchapter to increase the ability of local school districts to provide secondary students with quality instruction in mathematics, science, computer science, and related technological subjects. Therefore, local school districts are authorized and encouraged to establish programs to cooperate with the business community and with other educational and governmental institutions to recruit qualified persons who will provide secondary students with the skills and training essential for the technological age.

Sec. 13.502. ESTABLISHMENT OF LOCAL PROGRAMS. (a) The board of trustees of a school district may develop and implement a program for employing qualified but noncertified persons to teach mathematics, science, computer science, and related technological subjects in the secondary schools of the district.

(b) To establish such a program, the board of trustees shall approve a comprehensive plan that shall include:

(1) a statement of the needs, goals, and priorities of the school district for expanding secondary instruction in mathematics, science, computer science, and related technological subjects;

(2) a description of the methods by which the school district will select, supervise, and evaluate noncertified instructors;

(3) a description of the specific subjects and activities to be taught in the district by noncertified instructors;

(4) a description of the district's compensation plan for noncertified instructors;

(5) a description of the use the district intends to make of the resources of the business community and other educational and governmental institutions; and

(6) a description of the district's in-service training program for noncertified instructors to improve their knowledge of appropriate instructional methods.

(c) The board of trustees may modify or abolish the district's comprehensive plan at any time.

(d) A school district shall submit a copy of its comprehensive plan to the commissioner of education. The commissioner of education shall review and approve or reject the comprehensive plan consistent with the intent expressed in the legislation. The commissioner must affirm or reject the application within 30 days. The commissioner shall make copies of a district's plan available to other districts upon written request. The Central Education Agency shall provide technical assistance in implementing the comprehensive plan when requested to do so by a school district.

Sec. 13.503. REQUIREMENTS FOR NONCERTIFIED INSTRUCTORS. (a) To be eligible for employment as a noncertified instructor, a person must have at least a bachelor's degree from an accredited institution of higher education, with a concentration in the subject area to be taught. A school district may require additional qualifications for instructors, including, but not limited to, work experience in a field related to the subject area to be taught.

(b) A noncertified instructor may not teach more than three classes per day during any semester. A noncertified instructor's compensation may not exceed the number of courses he teaches divided by the normal instructional course load for a secondary teacher in the district, multiplied by the district's minimum salary for a certified teacher with a bachelor's degree. Such compensation shall be paid to the noncertified person, or to any other person, partnership,

corporation, or institution designated in writing by the noncertified person. This subsection does not apply to a noncertified instructor who is teaching in the public schools as part of a teacher training program in an accredited institution of higher education.

(c) A noncertified instructor is not eligible for any of the benefits available to a certified teacher in the district, including participation in the Teacher Retirement System of Texas. However, a noncertified instructor is immune from personal liability for acts and omissions in the scope of employment to the same extent that a certified teacher is immune from such liability, and a district may insure a noncertified instructor against liability for acts and omissions in the scope of employment to the same extent as it insures its certified teachers from such liability.

(d) A noncertified instructor may be terminated whenever the board of trustees determines that the best interests of the school district are served thereby. A noncertified instructor does not acquire a property interest in continued employment in a school district and may not appeal a termination decision of a board of trustees to the commissioner of education.

(e) Any course taught by a noncertified instructor shall count toward fulfilling a student's graduation requirements if it would count if taught by a certified teacher.

(f) As a condition of employment, a board of trustees may require a noncertified instructor to meet with parents or guardians of students on a reasonable basis to discuss students' grades or progress in courses taught by the noncertified instructor.

Sec. 13.504. LIMITATION ON EMPLOYMENT OF NONCERTIFIED INSTRUCTORS. Implementation of a program under this subchapter shall not result in the displacement of any certified person qualified to teach such courses. In implementing a program, preference in hiring and retention shall be given to certified persons qualified to teach such courses. A school district may not employ a noncertified instructor beyond the end of a semester to teach any course for which a qualified and certified teacher is available and has a current application for employment on file with the district.

Sec. 13.505. FUNDING OF LOCAL PROGRAMS. A school district may use any federal, state, or local funds not specifically dedicated to another purpose by statute or contract to implement the provisions of this subchapter.

Sec. 13.506. SUPERIORITY OF THIS SUBCHAPTER. To the extent that this subchapter conflicts with any other provision relating to the training or employment of teachers, this subchapter governs.

PART I. PERIOD FOR CLASSROOM PREPARATION

SECTION 1. Section 13.902, Education Code, is amended to read as follows:

Sec. 13.902. PLANNING AND PREPARATION TIME. ~~[(a) Public schools shall be taught for not less than seven hours each day including intermissions and recesses.]~~ Each teacher actively engaged in the instruction of children shall have at least one period of not less than 45 minutes within the seven-hour ~~[scheduled]~~ school day for parent-teacher conferences, reviewing students' homework, and planning and preparation. During that time, a teacher may not be required to participate in any other activity.

~~[(b) The implementation of the provisions of this section shall not result in a lengthened school day.]~~

PART J. TEACHER EDUCATION PROGRAMS

SECTION 1. Section 13.032(d), Education Code, as added by Chapter 8, Acts of the 67th Legislature, Regular Session, 1981, is redesignated as Section 13.032(h), to read as follows:

(h) ~~[(d)]~~ The State Board of Education by rule may fix and require payment of a fee as a condition to the issuance of a teaching certificate. The fee must be reasonable and designed to cover the administrative costs of issuing the certificate. The board may adopt a different fee for each class of certificate issued. The commissioner of education shall periodically review and recommend adjustments in the level of fees required under this subsection.

SECTION 2. Subchapter B, Chapter 13, Education Code, is amended by adding Sections 13.033 and 13.034 to read as follows:

Sec. 13.033. TEACHER EDUCATION PROGRAM ACCREDITATION SANCTIONS. (a) If the commissioner determines that a teacher education program fails to meet any accreditation standard prescribed by rule of the State Board of Education, the commissioner shall give confidential notice of the standard not met to the chief administrator of the program and to any accreditation committee of the board of regents of the institution. If the deficiency is not corrected within a reasonable time, as determined by the commissioner, the commissioner shall give public notice of the deficiency to the board of regents. If the deficiency remains uncorrected after a reasonable period of time, the commissioner shall recommend to the State Board of Education that the program be placed on probation.

(b) *The State Board of Education may place a teacher education program on probation for a period of 24 months. The fact that the program is on probation must be published in any admissions catalogue concerning the program.*

(c) *During the probation, the program must significantly reduce the number of students graduating from the program, as determined by rule of the State Board of Education.*

(d) *If the program has not satisfied accreditation standards by the end of the probationary period, the State Board of Education shall revoke the program's accreditation. A student enrolled in the program before accreditation is revoked may not be disqualified from certification on the basis of this subsection.*

(e) *The State Board of Education may reinstate the accreditation of a program after the board determines that the program meets accreditation standards.*

Sec. 13.034. ANNUAL PERFORMANCE REPORT. (a) *Each teacher education program shall submit to the State Board of Education an annual performance report concerning the quality of teacher education offered by the program. The report is public information.*

(b) *The report shall be in the form and contain the elements required by the board. At a minimum, the report must include the following information:*

- (1) *the number of students admitted to the program;*
- (2) *the performance of students in the program on any required professional skills test;*
- (3) *the number of students admitted to student teaching;*
- (4) *the number of students completing the program and their performance on any required exit test;*
- (5) *the employment success of graduates from the program;*
- (6) *the use of state funds in the program; and*
- (7) *other matters as required by rule of the board.*

SECTION 3. Subchapter B, Chapter 13, Education Code, is amended by adding Section 13.048 to read as follows:

Sec. 13.048. OPERATION OF AN ACCREDITED SCHOOL. (a) *Each institution offering a teacher education program may contract with an accredited school to employ program instructors and students in the regular operation of the accredited school. If practicable, the program shall completely operate the school, but the school remains under the general governance of its board of trustees.*

(b) *The State Board of Education shall adopt any rules necessary for implementing and carrying out this section.*

SECTION 4. Chapter 51, Education Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. PRIVATE DONOR RESEARCH FUND

Sec. 51.551. PURPOSE. *The purpose of this subchapter is to establish a private donor research fund to encourage donations from the private sector to support research and development in teacher education and teaching.*

Sec. 51.552. FUND. (a) *A special fund to be known as the private donor research fund is created in the state treasury.*

(b) *The fund shall be administered by the State Board of Education.*

(c) *Biennially, the legislature may appropriate general revenue to the fund in an amount not to exceed the amount of donations to the fund during the preceding biennium.*

(d) *In addition to donations from private sources and appropriations by the legislature, the board shall solicit money for the fund from the federal government.*

Sec. 51.553. USE OF FUND. (a) *The board shall develop concepts for research projects in the areas of teacher education and teaching and shall assign each research project, together with the amount of money from the fund necessary to implement the project, to an approved teacher education program of an institution of higher education or to a school district, as appropriate.*

(b) *The board shall adopt guidelines to ensure it assigns projects and distributes money from the fund equitably among teacher education programs and equitably among school districts. In addition, the board shall adopt standards and timetables for the projects it assigns and shall periodically review the progress of the projects.*

SECTION 5. Notwithstanding Section 51.552, Education Code, for the biennium beginning September 1, 1985, the legislature may appropriate not more than \$5 million in general revenue to the private donor research fund created by that section.

PART K. EDUCATIONAL AID FOR TEACHERS

SECTION 1. Section 52.40, Education Code, is amended to read as follows:

Sec. 52.40. CANCELLATION OF CERTAIN LOAN REPAYMENTS. (a) The board may cancel the repayment of a loan received by a student who earns a professional doctor of medicine degree or a doctorate of psychology degree and who is employed by the Texas Youth Council, State Department of Public Welfare, Texas Department of Corrections, or Department of Mental Health and Mental Retardation prior to the date on which repayment of the loan is to commence.

(b) *The board shall cancel the repayment of a loan received by a student after his or her entry to an accredited teacher education program if the student earns certification in an area designated by the State Board of Education to be an area or field of acute teacher shortage and the student teaches in that area or field in the elementary and secondary schools of Texas. Only those students whose loans have never been in default shall be eligible to participate in the provisions of this section.*

(c) ~~(b)~~ A person who wishes to apply for a loan cancellation shall enter into a contract with the board which contains the following provisions:

(1) No payment is due from the person as long as he is employed by one of the designated state agencies or teaches in an elementary or secondary school of Texas in an area or field designated by the State Board of Education.

(2) Half of the total amount of the loan plus interest due is to be cancelled after two years of the appropriate service ~~[with a designated state agency]~~, and the remainder is to be cancelled after two additional years of service.

(3) Repayment of the loan and interest is to commence immediately if the person leaves the designated state agency or ceases teaching in a designated area or field before the expiration of two years; repayment of one-half of the loan and interest is to commence immediately if the person leaves the designated state agency or ceases teaching in a designated area or field after completing two years service; upon completion of four years service, the loan, principal and interest, shall be fully cancelled.

(4) Interest continues to accrue until the loan is cancelled or repaid.

(d) *Loans and interest on loans may be cancelled under the Texas Opportunity Plan Fund in any year in a total amount not to exceed the amount appropriated for that purpose from general revenue funds.* ~~[(e) The legislature shall appropriate to the Texas Opportunity Plan Fund an amount equal to the loans and interest cancelled pursuant to the provisions of this section.]~~

(e) ~~(d)~~ The board shall publicize the availability of the loan cancellation procedures provided in this section at all institutions of higher education which offer a teacher education program or graduate programs in medicine or psychology.

SECTION 2. Title 3, Texas Education Code, is amended by adding Chapter 60 to read as follows:

**CHAPTER 60. LOAN PROGRAM FOR STUDENTS PREPARING TO TEACH
SUBJECTS FOR WHICH TEACHERS ARE CRITICALLY NEEDED**

SUBCHAPTER A. ADMINISTRATIVE AND FUNDING PROVISIONS

Sec. 60.01. ADMINISTRATION. The Coordinating Board, Texas College and University System, shall administer the student loan program authorized by this chapter.

Sec. 60.02. DELEGATION OF POWERS AND DUTIES. With the exception of powers and duties relating to the letting of contracts for insurance, the coordinating board may delegate its powers and duties under this chapter to the commissioner of higher education.

Sec. 60.03. FUTURE TEACHER LOAN FUND. (a) A revolving fund is established in the state treasury to be known as the future teacher loan fund. Money from the fund may be used only for making loans to eligible students as authorized by this chapter. The fund consists of money appropriated by the legislature for deposit in the fund and payments of principal of and interest on loans made from the fund.

(b) The principal of loans repaid under this chapter and the interest accruing on those loans shall be deposited to the credit of the future teacher loan fund.

[Sections 60.04-60.10 reserved for expansion]

SUBCHAPTER B. STUDENT LOANS

Sec. 60.11. ELIGIBILITY. The coordinating board may authorize a loan from the future teacher loan fund established under Section 60.03 of this chapter to a student who:

(1) is a resident of this state, as determined under Subchapter B, Chapter 54, of this code;
 (2) has been accepted for admittance into a teacher education program approved by the State Board of Education;

(3) has established under criteria adopted by the State Board of Education that he is preparing to teach a primary or secondary grade subject considered to be in critical need of teachers under rules adopted by the State Board of Education;

(4) has a grade point average equivalent to at least a 3.0 on a 4.0 scale on the basis of grades in courses taken at an institution of higher education and completed not later than the semester before the semester in which the loan determination is made;

(5) has established that he is unable to fully finance his studies in the approved teacher education program to which he has been accepted for admittance; and

(6) has complied with any other requirements established by rules adopted by the board under this chapter.

Sec. 60.12. AMOUNT OF LOAN. The amount of a loan made to a student under this chapter may not exceed:

(1) the difference between:

(A) the amount of the financial resources available to the student, including, but not limited to, the income he can reasonably be expected to earn, any income from parents or other individuals, and any scholarships, gifts, grants, or other financial aid he receives; and

(B) the amount necessary to pay his reasonable expenses as a student in the teacher education program to which he has been accepted for admittance; or

(2) an amount the student can reasonably be expected to repay in a period of five years after the date on which he is last enrolled in an approved teacher education program.

Sec. 60.13. TERM OF LOAN. The term of a loan authorized under this chapter may not exceed a period of 10 years after the date a student is last enrolled in an approved teacher education program, unless the term is extended under Section 60.17 of this chapter, and must be for the period that the coordinating board determines to be the shortest period possible.

Sec. 60.14. LOAN INTEREST. (a) The coordinating board shall fix the interest to be charged for a student loan.

(b) The coordinating board shall postpone interest as long as a student is enrolled in an approved teacher education program and may postpone interest as long as a student is enrolled at any institution of higher education.

(c) Despite a postponement granted under Subsection (b) of this section, the total interest due on a loan remains at the amount fixed at the time the note evidencing the loan was executed.

Sec. 60.15. INSURANCE. (a) The coordinating board may contract with any insurance company licensed to do business in this state for insurance on the life of a student borrower in an amount sufficient to retire the principal and interest owed under a loan made under this chapter.

(b) The student borrower shall pay the cost of the insurance.

(c) A contract for insurance under this section may be approved by the coordinating board only during a regular meeting attended by a quorum of the total board membership.

Sec. 60.16. PAYMENTS TO STUDENT. (a) A payment may not be made to a student unless the student has executed a note payable to the future teacher loan fund for the full amount of the authorized loan plus interest.

(b) For the purposes of this chapter, a student has the capacity to contract and is bound by any contract executed by him. The defense that he was a minor at the time he executed the note is not available in any action arising on the note.

(c) Payments to a student executing a note may be made annually, semiannually, quarterly, monthly, or for each semester, depending on the demonstrated capacity of the student to manage his financial affairs. Disbursements may be made by the coordinating board or by an institution of higher education in which the student is enrolled and that is under contract with the board to make the disbursements.

(d) Funds may not be distributed to an institution of higher education except to make payments to a student under a loan authorized by this chapter.

Sec. 60.17. REPAYMENT OF LOANS. (a) Unless the coordinating board authorizes a longer period, repayment of a loan and interest shall begin not later than a period of nine months after the date the student borrower is last enrolled in an institution of higher education or a period of five years after the date of execution of the first note evidencing the loan, whichever period is shorter. The board may authorize a longer period before repayment must begin to students seeking professional or graduate degrees. With the approval of the attorney general, the board may also authorize a longer period before repayment must begin to those with unusual financial hardships.

(b) Repayment of the loan and interest on the loan shall be made in monthly installments.

(c) Repayment shall be made directly to the coordinating board.

Sec. 60.18. DEFAULT; SUIT. (a) *If a person who has received a loan authorized by this chapter has failed to make as many as six monthly payments due in accordance with an executed note, the full amount of the remaining principal and interest becomes due and payable immediately, and the coordinating board shall report to the attorney general the amount due, the person's name, his last known address, and other necessary information.*

(b) *Unless the attorney general finds reasonable justification for delaying suit and so advises the coordinating board in writing, the attorney general or any county or district attorney acting for the attorney general shall institute suit for the amount of principal and interest outstanding in the county of the person's residence, the county in which is located the institution at which the person was last enrolled, or in Travis County. The attorney general, as a prevailing party, is entitled to recover and collect reasonable attorney's fees and court costs on behalf of the state, and when collected, one-half of the fees are to be used to establish a fund in the attorney general's office for the collection of revenues owed to the state and one-half is to be deposited into the general revenue account of the state treasury.*

Sec. 60.19. CANCELLATION OF CERTAIN LOAN REPAYMENTS. (a) *Before repayment is to begin, the coordinating board may cancel the repayment of a loan received by a student who is employed by a school district in this state and is teaching a subject considered to be in critical need of teachers under rules adopted by the State Board of Education.*

(b) *A person who wishes to apply for a loan cancellation must enter into a contract with the coordinating board that provides the following:*

(1) *a payment is not due from the person as long as he is employed by a school district in this state and is teaching a subject considered to be in critical need of teachers under rules adopted by the State Board of Education;*

(2) *half of the total amount of the loan plus interest due is to be canceled after the person has taught a subject considered to be in critical need of teachers for two school years, and the remainder is to be canceled after the person has taught a subject considered to be in critical need of teachers for two additional school years;*

(3) *repayment of the loan and interest is to begin immediately if the person leaves employment with a school district in this state or discontinues teaching a subject considered to be in critical need of teachers before the end of two school years after the date the person began teaching;*

(4) *repayment of one-half of the loan and interest is to begin immediately if the person leaves employment with a school district in this state or discontinues teaching a subject considered to be in critical need of teachers before the end of four school years after the date the person began teaching;*

(5) *on completion of the required four years of teaching, the loan, principal and interest, shall be fully canceled; and*

(6) *interest continues to accrue until the loan is canceled or repaid.*

(c) *The coordinating board shall publicize the availability of the loan cancellation procedures provided by this section at institutions of higher education that offer approved teacher education programs.*

[Sections 60.20-60.30 reserved for expansion]

SUBCHAPTER C. MISCELLANEOUS PROVISIONS

Sec. 60.31. RULES. (a) *The coordinating board shall adopt rules to achieve the purposes of this chapter.*

(b) *The coordinating board may adopt rules necessary for participation in the federal guaranteed loan program provided by the Higher Education Act of 1965.*

Sec. 60.32. ANNUAL REPORT. (a) *The coordinating board shall make a report of the operations of the future teacher loan program to the governor annually and to the legislature not later than December 1 of each year that immediately precedes a regular session of the legislature.*

(b) *The report must include the following information as it applies to loans made under this chapter to students at each institution of higher education offering an approved teacher education program:*

(1) *the number of loans made;*

(2) *the maximum loan made;*

(3) *the minimum loan made;*

(4) *the total amount of loans made;*

(5) *a list of persons who have failed or refused to make as many as six monthly payments on any note, a statement of the amount each person owes, and the last known address of each person; and*

(6) *any other information that will describe the effectiveness of the loan program.*

Sec. 60.33. EXPENSES. Funds to pay the cost of personnel and other expenses required to administer this chapter shall be provided by appropriation.

Sec. 60.34. AUDIT. Any transaction under this chapter is subject to audit by the state auditor.

SECTION 3. Chapter 54, Education Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. TEACHER EDUCATION LOAN PROGRAM

Sec. 54.101. DECLARATION OF PUBLIC PURPOSE. The legislature finds that the education of talented persons to become elementary and secondary school teachers is important to the welfare of this state and the nation and, consequently, is an important public purpose for the expenditure of public funds.

Sec. 54.102. DEFINITIONS. In this subchapter:

(1) "Board" means the Coordinating Board, Texas College and University System.

(2) "Fees" includes any fee other than a fee for food, clothing, or lodging or a deposit securing the return or proper care of property.

Sec. 54.103. ADMINISTRATION. (a) In accordance with this subchapter, the board shall provide teacher education loans to eligible students enrolled in a teacher education program approved by the State Board of Education.

(b) The board may adopt rules for the administration of this program consistent with the purposes and policies of this subchapter.

Sec. 54.104. ELIGIBILITY REQUIREMENTS. (a) To be eligible for a teacher education loan, a person must be a teacher who is eligible under Subsection (b) of this section or must:

(1) be a Texas resident as determined under Subchapter B of this chapter;

(2) have graduated in the top 15 percent of his high school graduating class;

(3) be enrolled for at least one-half of a full course load as a junior, senior, or graduate student in a program leading to certification as a classroom teacher or to a master's degree in a field for which the person is seeking certification or already holds certification;

(4) have a grade point average equal to at least a 3.0 on a 4.0 scale in courses other than education courses taken at an institution of higher education and completed not later than the semester before the semester in which the loan is awarded;

(5) enter into an agreement with the board to maintain a grade point average of at least a 3.0 on a 4.0 scale in courses taken after receiving a teacher education loan, to become certified as a classroom teacher, and to teach in an elementary or secondary school in Texas or to repay the teacher education loan on terms adopted by the board; and

(6) meet other academic requirements set by the board, which may include a requirement of acceptable performance on standardized examinations.

(b) To be eligible for a teacher education loan, a person who is regularly employed as a teacher by a public school in this state must be enrolled in a course required by rule of the State Board of Education as a qualification for a certificate or an endorsement to teach a primary or secondary grade subject for which the State Board of Education has officially recognized there to be a teacher shortage. Such persons qualify for a teacher education loan on a pro rata basis depending on the number of courses for which the person is enrolled.

(c) A person may not receive a teacher education loan for more than four regular or summer semesters.

Sec. 54.105. PAYMENT OF LOAN; AMOUNT. (a) On determination that a student is to receive a teacher education loan, the board shall award to the recipient \$1,000 for each of four semesters, not to exceed a total of \$4,000.

(b) The amount of the teacher education loan shall be paid to the student in a manner determined by the board.

(c) A teacher education loan does not affect a student's eligibility for other state or federal student financial aid unless that result is required under the terms of the other aid.

(d) Teacher education loans are paid from funds appropriated for that purpose. The legislature may not appropriate more than \$5 million per year for the loans.

Sec. 54.106. REPAYMENT OF LOAN. (a) A recipient may be required to repay the amounts received under a loan as provided by this section.

(b) A recipient must repay the total amount awarded if the recipient does not begin teaching in an accredited public elementary or secondary school in Texas within 18 months after certification.

(c) A recipient who does begin teaching in an accredited public elementary or secondary school in Texas within 18 months after certification must repay any amounts not canceled under this section. A recipient is entitled to cancel by semester the amounts awarded under the loans, in descending order beginning with the greatest amount awarded, with one semester's loan amount

canceled for each semester of employment as a teacher in an accredited public elementary or secondary school in Texas. Repayment of the amount not canceled must begin if the recipient ceases to teach for more than two consecutive semesters.

(d) Repayment of loans shall be in accordance with a schedule adopted by the board and shall bear interest at a rate set by the board.

(e) The board may waive or delay the repayment requirement for good cause shown by the recipient.

ARTICLE IV. STUDENTS

PART A. SOCIAL PROMOTION, STUDENT TESTING, AND TUTORIALS

SECTION 1. Chapter 21, Education Code, is amended by adding Subchapter S to read as follows:

SUBCHAPTER S. ADVANCEMENT AND COURSE CREDIT

Sec. 21.721. GRADE REQUIREMENT FOR ADVANCEMENT OR COURSE CREDIT. (a) A district may not grant social promotions. Students may be promoted only on the basis of academic achievement.

(b) A student who has not maintained a grade average for a school year equivalent to at least 70 on a scale of 100 may not be advanced from one grade level to the next.

(c) A student who has not maintained a grade average for a course equivalent to at least 70 on a scale of 100 may not be given credit for the course.

(d) The State Board of Education shall adopt rules prescribing alternatives to social promotion for students who are consistently unable to be promoted because of poor academic achievement, and a district may provide for those students in accordance with the board rules, provided that the parent, guardian, or person having lawful control of the student participates in the deliberations.

Sec. 21.722. NOTICE TO PARENTS OF UNSATISFACTORY GRADE. (a) At least once every six weeks, a district must give written notice to parents of students' grades in each class or subject. The notice must provide for the signature of the parent and must be returned to the district. If the notice is not returned to the district, the district must mail notice to the parent.

(b) If in any class or subject a student receives a grade equal to less than 70 on a scale of 100, the grade notice must state the need for a conference between the appropriate teacher and the parent and must quote or summarize the requirements of Section 21.721 of this code.

(c) In attempting to schedule a conference between a teacher and parent, the district shall give the parent at least two alternative dates for the conference.

(d) In this section, "parent" includes a legal guardian.

(e) This section does not apply to a student who is:

- (1) married;
- (2) an emancipated minor; or
- (3) an adult living alone.

Sec. 21.723. FINAL EXAMINATION. A student may not be exempted from taking a final examination in any class in which any other student is required to take a final examination.

Sec. 21.724. ADVANCED PLACEMENT EXAMINATION. (a) Using guidelines established by the State Board of Education, a school district shall develop for board review advanced placement examinations for each primary school grade level and for secondary school academic subjects. The guidelines must provide for the examinations to thoroughly test comprehension of the information presented in the applicable grade level or subject. The board shall approve advanced placement examinations that satisfy board guidelines.

(b) A student in a primary grade level shall be given credit for a grade level and advanced one grade level on the basis of a board-approved advanced placement examination if:

- (1) the student scores in the 90th percentile or above on each section of the examination;
- (2) a school district representative recommends that the student be advanced; and
- (3) the student's parent or guardian gives written approval of the advancement.

(c) A student in grade level six or above shall be given credit for a subject on the basis of a board-approved advanced placement examination in the subject if the student scores in the 90th percentile or above on the examination. If a student is given credit in a subject on the basis of an examination, the examination score shall be entered on the student's transcript.

(d) Each school district shall administer the advanced placement examination not less than once a year, at times to be determined by the board.

SECTION 2. Subchapter D, Chapter 21, Education Code, is amended by adding Section 21.103 to read as follows:

Sec. 21.103. TUTORIAL SERVICES. (a) Each school district shall provide tutorial services at the district's schools.

(b) A district may require a student whose grade in a subject for a grade reporting period is lower than 70 on a scale of 100 to attend tutorials in the subject during the following reporting period twice per week or more, as determined by the district.

(c) A district is not required to provide transportation for students attending tutorials.

PART B. PREKINDERGARTEN; SUMMER PRESCHOOL

SECTION 1. Subchapter E, Chapter 21, Education Code, is amended by adding Section 21.136 to read as follows:

Sec. 21.136. PREKINDERGARTEN. (a) Any school district may offer prekindergarten classes, but a district shall offer prekindergarten classes if the district identifies 15 or more eligible children.

(b) To be eligible for enrollment in a prekindergarten class a child must be at least four years of age and must be:

(1) unable to speak and comprehend the English language; or

(2) from a family whose income, according to standards set by the State Board of Education, is at or below subsistence level.

(c) Prekindergarten classes shall be operated on a half-day basis. A district is not required to provide transportation for prekindergarten classes, but transportation, if provided, is included for funding purposes as part of the regular transportation system.

(d) On application of a school district, the commissioner of education may exempt a district from the application of this section if the district would be required to construct classroom facilities in order to provide prekindergarten classes.

(e) The cost of the program is shared by the state and district in the same percentages used to determine the state/local shares under Chapter 16 of this code. The state's share is paid from the foundation school fund and may not exceed \$50 million a year. If that amount will not fully fund the program, the commissioner shall proportionately reduce each district's allocations.

(f) This section becomes effective with the 1985-1986 school year.

SECTION 2. Subsections (a) and (b), Section 21.101, Education Code, are amended to read as follows:

(a) Each school district that offers prekindergarten [~~kindergarten~~] through grade 12 shall offer a well-balanced curriculum that includes:

(1) English language arts;

(2) other languages, to the extent possible;

(3) mathematics;

(4) science;

(5) health;

(6) physical education;

(7) fine arts;

(8) social studies;

(9) economics, with emphasis on the free enterprise system and its benefits;

(10) business education;

(11) vocational education; and

(12) Texas and United States history as individual subjects and in reading courses.

(b) The State Board of Education by rule shall designate subjects comprising a well-balanced curriculum to be offered by a school district that does not offer prekindergarten [~~kindergarten~~] through grade 12.

SECTION 3. The title to Subchapter E, Chapter 21, Education Code, is amended to read as follows: "SUBCHAPTER E. KINDERGARTEN AND PREKINDERGARTEN".

SECTION 4. Section 21.131, Education Code, is amended to read as follows:

Sec. 21.131. FREE KINDERGARTEN. The board of trustees of each [~~any~~] school district in Texas shall [~~its hereby authorized to~~] establish and maintain as a part of the public free schools of said district one or more kindergartens for the training of children residing in said district [~~who are under the scholastic age and~~] who are at least five years of age at the beginning of the scholastic year.

SECTION 5. Section 21.458, Education Code, is amended to read as follows:

Sec. 21.458. PRESCHOOL, SUMMER SCHOOL, AND EXTENDED TIME PROGRAMS. (a) Each district that is required to offer a bilingual education or special language

program shall offer a voluntary summer program for children of limited English proficiency who will be eligible for admission to kindergarten or the first grade at the beginning of the next school year.

(b) Enrollment in the program is optional with the parent of the child. The program must be offered for one-half day for the eight weeks preceding the opening of schools for the regular school term.

(c) The program shall be an intensive bilingual education or special language program that meets standards prescribed by rule of the State Board of Education. The student/teacher ratio for the program may not exceed 18/1.

(d) A school district may establish on a full- or part-time basis other ~~[preschool]~~ summer school, extended day, or extended week bilingual education or special language programs for students of limited English proficiency and may join with other districts in establishing the programs.

(e) The preschool or summer programs shall not be a substitute for programs required to be provided during the regular school year.

(f) The legislature may appropriate funds from the foundation school program for support of the summer program under Subsection (a) of this section.

SECTION 6. This part takes effect June 1, 1985, and applies beginning with the 1985-1986 school year.

PART C. CLASS SIZE

SECTION 1. Section 16.054, Education Code, is amended to read as follows:

Sec. 16.054. STUDENT/TEACHER RATIOS; CLASS SIZE. (a) Except as provided by Subsection (b) of this section, each ~~[Each]~~ school district must employ a sufficient number of certified teachers to maintain an average ratio of not less than one teacher for each 20 ~~[25]~~ students in average daily attendance.

(b) Beginning with the 1985-1986 school year, a school district may not enroll more than 22 students in a kindergarten, first or second grade class. Beginning with the 1988-1989 school year, a school district may not enroll more than 22 students in a third or fourth grade class. This requirement shall not apply during the last 12 weeks of any school year.

(c) In determining the number of students to enroll in any class, a district shall consider the subject to be taught, the teaching methodology to be used, and any need for individual instruction.

(d) On application of a school district, the commissioner may except the district from the limits in Subsection (b) of this section if the commissioner finds the limits work an undue hardship on the district. An exception expires at the end of the semester for which it is granted, and the commissioner may not grant an exception for more than one semester at a time.

(e) The commissioner shall report to the legislature each biennium regarding compliance with this section. The report must include:

(1) a statement of the number of school districts granted an exception under Subsection (d) of this section; and

(2) an estimate of the total cost incurred by school districts in that biennium in complying with this section.

PART D. ABSENCES

SECTION 1. Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.041 to read as follows:

Sec. 21.041. ABSENCES. (a) A student may not be given credit for a class if the student has more than five days of unexcused absence during a semester.

(b) In this section, "unexcused absence" means an absence not excused under Section 21.035 of this code.

PART E. COMPULSORY ATTENDANCE

SECTION 1. Section 21.032, Education Code, is amended to read as follows:

Sec. 21.032. COMPULSORY ATTENDANCE. (a) Unless specifically exempted by Section 21.033 of this code or under other laws, every child in the state who is as much as seven years of age, or who is less than seven years of age and has previously been enrolled in first grade, and who has not completed the academic year in which his 16th birthday occurred ~~[not more than 17 years of age]~~ shall be required to attend the public schools in the district of his residence or in some other district to which he may be transferred as provided or authorized by law a minimum of 170 ~~[165]~~ days of the regular school term of the district in which the child resides or to which he has been transferred.

(b) A child enrolled in *prekindergarten* or kindergarten must attend class or have an excused absence for a minimum of 85 [88] days during each semester for which the child is enrolled.

SECTION 2. Subsection (a), Section 21.033, Education Code, is amended to read as follows:

(a) The following classes of children are exempt from the requirements of compulsory attendance:

(1) any child in attendance upon a private or parochial school which shall include in its course a study of good citizenship;

(2) any child who is handicapped as defined in Section 21.503 [16-104] of this code and who cannot be appropriately served by the resident district in accordance with the requirements of Section 21.032 of this code;

(3) any child who has a physical or mental condition of a temporary and remediable nature which renders such child's attendance infeasible and who holds a certificate from a qualified physician specifying the temporary condition, indicating the treatment prescribed to remedy the temporary condition, and covering the anticipated period of the child's absence from school for the purpose of receiving and recuperating from such remedial treatment; and

(4) ~~any child more than 17 years of age who has satisfactorily completed the work of the ninth grade and who presents to the chief administrator of the school which such child would otherwise attend satisfactory evidence showing that his services are needed in support of a parent or other person standing in a parental relation to the child; and~~

~~(5)~~ any child expelled in accordance with the requirements of law.

PART F. EXTRACURRICULAR ACTIVITIES

SECTION 1. Subchapter Z, Chapter 21, Education Code, is amended by adding Section 21.920 to read as follows:

Sec. 21.920. EXTRACURRICULAR ACTIVITIES. (a) The State Board of Education by rule shall limit participation in and practice for extracurricular activities during the school day and the school week. The rules shall, to the extent possible, preserve the school day for academic activities without interruption for extracurricular activities. In scheduling those activities and practices, a district must comply with the rules of the board.

(b) A student, other than a mentally retarded student, enrolled in a school district in this state shall be suspended from participation in any extracurricular activity sponsored or sanctioned by the school district during the grade reporting period after a grade reporting period in which the student received a grade lower than the equivalent of 70 on a scale of 100 in any academic class. The campus principal may remove this suspension if the class is an identified honors or advanced class. A student may not be suspended under this subsection during the period in which school is recessed for the summer or during the initial grade reporting period of a regular school term on the basis of grades received in the final grade reporting period of the preceding regular school term.

(c) In this section, "mentally retarded" has the meaning assigned by Section 21.503(b)(5) of this code.

(d) Subsection (b) of this section applies beginning with the spring semester, 1985.

SECTION 2. Subchapter Z, Chapter 21, Education Code, is amended by adding Section 21.921 to read as follows:

Sec. 21.921. INTERSCHOLASTIC LEAGUES. (a) The rules and procedures of an organization sanctioning or conducting interscholastic competition, including rules providing penalties for rules violations by school district personnel, must be consistent with board rules.

(b) The University Interscholastic League, which is a part of The University of Texas at Austin, must submit its rules and procedures to the State Board of Education for approval. The board may approve, disapprove, or modify any of the rules.

(c) The State Board of Education may seek an injunction to enforce this section.

SECTION 3. This part does not affect the rules of an organization sanctioning or conducting interscholastic competition that are in effect on the effective date of this part, and those rules remain in effect until disapproved by the State Board of Education.

PART G. SCHOOL DAY INTERRUPTIONS

SECTION 1. Subchapter Z, Chapter 21, Education Code, is amended by adding Section 21.923 to read as follows:

Sec. 21.923. SCHOOL DAY INTERRUPTIONS. The board of trustees of each school district shall adopt and strictly enforce a policy limiting interruptions of classes during the school day for nonacademic activities such as announcements and sales promotions. At a minimum, the policy shall limit announcements other than emergency announcements to once during the school day.

ARTICLE V. SCHOOL DISTRICTS

PART A. ACCREDITATION

SECTION 1. Chapter 21, Education Code, is amended by adding Subchapter T to read as follows:

SUBCHAPTER T. ACCREDITATION

Sec. 21.751. ACCREDITATION REQUIRED. *Each school district must be accredited by the Central Education Agency.*

Sec. 21.752. MASTER. (a) *For any district for which the State Board of Education has revoked accreditation, the commissioner of education shall appoint a master to oversee the district.*

(b) *A master appointed under this section or as a step preliminary to the loss of accreditation may approve or disapprove any action of the board of trustees or the superintendent of the district.*

(c) *A master serves at the will of the commissioner for a period ending with the reinstatement of the district's accreditation.*

Sec. 21.753. ACCREDITATION STANDARDS. (a) *The State Board of Education shall establish standards which a school district must satisfy to be accredited and shall adopt an accreditation process in accordance with this section.*

(b) *The accreditation standards must include consideration of:*

(1) *goals and objectives of the district;*

(2) *compliance with statutory requirements and requirements imposed by rule of the State Board of Education under statutory authority;*

(3) *the quality of learning on each of the district's campuses based on indicators such as scores on achievement tests;*

(4) *the quality of the district's appraisal of teacher performance and of administrator performance;*

(5) *the effectiveness of district principals as instructional leaders;*

(6) *the fulfillment of curriculum requirements;*

(7) *the effectiveness of the district's programs in special education and for special populations;*

(8) *the correlation between student grades and performance on standardized tests;*

(9) *the quality of teacher in-service training;*

(10) *paperwork reduction efforts;*

(11) *training received by board members; and*

(12) *the effectiveness of the district's efforts to improve attendance.*

Sec. 21.754. INVESTIGATIONS. (a) *Not less than once every three years, the agency shall investigate whether a school district satisfies the accreditation standards. The agency shall investigate more frequently a district that is determined to be below any accreditation standard.*

(b) *The agency shall direct investigators to be alert to any fundamental deficiencies in a district's educational system, such as failure of the district to satisfy curriculum requirements, and to report deficiencies to agency staff responsible for research and planning.*

(c) *In making an accreditation investigation, the investigators shall obtain information from campus administrators, teachers, and parents of students enrolled in the district.*

(d) *The agency shall give written notice to the superintendent and the board of trustees of any impending investigation of the district's accreditation.*

Sec. 21.755. INVESTIGATORS' REPORT. *The investigators shall report verbally and in writing to the board of trustees of the district and, as appropriate, to any campus administrators, and shall make suggestions concerning any necessary improvements or sources of aid, such as educational service centers.*

Sec. 21.756. AGENCY ASSISTANCE. *The agency shall provide assistance to districts which have been found to have difficulty meeting accreditation standards.*

Sec. 21.757. SANCTIONS. (a) *If a district does not satisfy accreditation standards, the commissioner shall take the following actions, in sequence, to the extent the commissioner determines necessary:*

(1) *confidential notice of the deficiency to any accreditation committee of the board of trustees and to the district superintendent;*

(2) *public notice of the deficiency to the board of trustees;*

(3) *appointment of an agency monitor to participate in and report to the agency on the activities of the board of trustees; and*

(4) *appointment of a master to oversee the operations of the district.*

(b) If a district fails to meet or maintain accreditation standards despite the actions of the commissioner under this section, the State Board of Education shall revoke the district's accreditation and may withhold state funds from the district.

PART B. UNIFORM SCHOOL CALENDAR

SECTION 1. Section 21.001, Education Code, is amended to read as follows:

Sec. 21.001. SCHOLASTIC YEAR. *(a) The scholastic year shall commence on the first day of September of each year and end on the thirty-first day of August thereafter.*

(b) The attendance of students for the first semester of the regular school term may not begin earlier than September 1.

SECTION 2. This part applies beginning with the 1985-1986 school year.

PART C. SCHOOL DISTRICT PERFORMANCE REPORTS

SECTION 1. Subchapter H, Chapter 21, Education Code, is amended by adding Section 21.258 to read as follows:

Sec. 21.258. PERFORMANCE REPORT. *(a) Each board of trustees shall publish an annual performance report which shall be available to the public and filed with the State Board of Education describing the district's educational performance and giving financial information related to the costs incurred by the district.*

(b) The State Board of Education by rule shall prescribe the form and content of the report. At a minimum, the report must include the following information by campus:

- (1) evaluations of the quality of education;*
- (2) scores on tests with national norms;*
- (3) reports of performance trends improvement or lack of improvement;*
- (4) statements of costs for instruction, instructional administration, and central administration;*
- (5) attendance data and dropout rates;*
- (6) reports on discipline;*
- (7) data on employees, trends in employment, and turnover; and*
- (8) teacher ratios by grade groupings and by program.*

(c) A report under this section must also include information about the number of students in each classroom, excluding instrumental and choral music classrooms, per class period. The report must specify, by grade, the number of classrooms, excluding instrumental and choral music classrooms, in which in any class period the number of students exceeds:

- (1) for kindergarten through 8th grade, 20;*
- (2) for high school, 25; and*
- (3) for special education, 10.*

(d) The State Board of Education may authorize the combination of this report with other reports and financial statements required by law or rule.

(e) Each district shall also annually report to the commissioner the number of teachers on the career ladder, the number of teachers at each level, and the sex and ethnicity of those teachers. That information shall be collected in a biennial report to the legislature, with the information reported by school district.

(f) Reports to the legislature under this section shall be filed with the Legislative Budget Board and the appropriate committees of each house.

PART D. TRAINING OF SCHOOL BOARD MEMBERS

SECTION 1. Subchapter B, Chapter 23, Education Code, is amended by adding Section 23.33 to read as follows:

Sec. 23.33. MEMBER TRAINING AND ORIENTATION. *(a) The State Board of Education shall appoint an advisory committee to develop statewide standards on the duties of a school board member. The committee shall consist of at least 15 persons knowledgeable in the management of the public schools of the state, and no less than five members of the committee shall consist of individuals currently serving as locally elected school board members.*

(b) Copies of the standards shall be sent to the president of each local school board on an annual basis, and local board members shall participate in training activities consistent with the statewide standards.

(c) The State Board of Education may provide for a course to be offered by the regional education service centers and may approve private organizations to offer courses following the board's review of an outline of the proposed courses to determine its conformity with the statewide standards. Registration for a course offered through service centers must be open to any interested

person, including current and prospective board members, and the state board may prescribe a registration fee designed to offset the costs of providing that course.

(d) Each accredited course must issue a certificate of completion to each person successfully completing the course.

PART E. FRIVOLOUS LAWSUITS

SECTION 1. Chapter 2, Education Code, is amended by adding Section 2.11 to read as follows:

Sec. 2.11. FRIVOLOUS SUIT. (a) In a civil suit, except as provided by Subsection (b) of this section, against a school district or against an employee or officer of a school district acting under color of the office or employment, the court may award costs and reasonable attorneys' fees if:

- (1) the court finds that the suit is frivolous, unreasonable, and without foundation; and
- (2) the suit is dismissed or judgment is for the defendant.

(b) This section applies only to suits brought under state law. This section does not apply to suits under the workers' compensation law, suits based on civil rights violations, personal injury or death actions, or suits challenging the validity of school district policies.

PART F. REHABILITATION DISTRICTS

SECTION 1. Subdivisions (1), (2), (3), and (5), Section 26.01, Education Code, are amended to read as follows:

(1) "Handicapped person" or "handicapped scholastic" means an individual between the ages of six and 21, inclusive, who has been defined as such by ~~presently existing~~ federal or state legislation. The definition of a handicapped person or handicapped scholastic is inclusive of all generic handicapping conditions such as orthopedically handicapped, health impaired, blind or visually impaired, deaf or auditorially impaired, ~~socially maladjusted or~~ emotionally disturbed, mentally retarded, and ~~language or~~ learning disabled. The specific operational definition, if not defined by state or federal legislation, shall be applicable to any current operational definition as set forth by the federal government or state agencies.

(2) "Special services" has the meaning assigned by Subdivision (1) of Subsection (b) of Section 21.502 of this code ~~required for the instruction of or program for exceptional children means special teaching in the public school curriculum within or without the regular classroom; corrective teaching such as lipreading, speech correction, sight conservation; corrective health habits; transportation; special seats; books; instructional media; and supplies; professional counseling with students and parents; supervision of professional services and pupil evaluation services; and established teaching techniques for children with language or learning disabilities~~.

(3) "Nonhandicapped scholastic" means a scholastic who is between the ages of six and 21, inclusive, ~~eligible for public school education under state law and~~ who is not a ~~officially labeled as being~~ handicapped person, but who either:

- (A) needs an alternative school setting; or
- (B) is older than the age at which school attendance is compulsory and chooses to enroll in the district.

(5) "Trainee" means any handicapped student, as defined by Subsection (c) of Section 21.503 of this code, ~~person~~ who is or has been enrolled in a district.

SECTION 2. Section 26.63, Education Code, is amended to read as follows:

Sec. 26.63. RESIDENTIAL PROGRAM; CURRICULUM; TRAINEES. The board shall:

(1) plan the residential program and the curriculum of the district, or have them planned under its direction; but in any event, plans must be approved by the board of directors and also by the state commissioner of education ~~and by the executive director of the Texas Department of Mental Health and Mental Retardation~~;

(2) make reasonable limitation on the duration of residence and attendance by trainees, according to standards adopted by it; and

(3) by itself, or through an agency established by it for attending to such matters, terminate the training of any trainee who proves to be unadaptable to the training program of the district, or who is so disturbing in conduct to the other trainees as to be detrimental to the district; and the exercise of the termination power is unreviewable.

SECTION 3. Subsection (c), Section 26.64, Education Code, is amended to read as follows:

(c) No handicapped person in attendance at a regular public school, between the ages of six and 21, shall be admitted to a rehabilitation district without having been referred or assigned to it by the independent school district in which he resides, or by another agency with primary responsibilities relating to youth, except that a person who is older than the age at which school

attendance is compulsory may apply and be admitted without referral or assignment [the county school superintendent. If a handicapped person applying to a rehabilitation district for admission is over 16 years of age or under 21 years of age and is in attendance at a regular public school, he shall not be admitted to the rehabilitation district for education and training without having been referred to it for that purpose by the county school superintendent; if such public school be situated within an independent school district, or by an independent school district if such public school is within such independent school district].

SECTION 4. Section 26.68, Education Code, is amended to read as follows:

Sec. 26.68. FEDERAL AID. The board may apply to any agency of the federal government for funds made available, as loans or grants, by the United States Government to carry out the purposes of such rehabilitation district, in the same manner, according to the same procedures, and in all respects as provided for the receipt of such funds by independent school districts [; provided, further, that for rehabilitation program purposes only and to receive any funds available for rehabilitation purposes for which the district otherwise may be eligible, the authority of the district shall be restricted and enlarged to include persons not over 25 years of age].

SECTION 5. Section 26.70, Education Code, is amended to read as follows:

Sec. 26.70. GROUP RESIDENCE CENTERS. Each district may, by itself, or in conjunction with service clubs, women's clubs, or other organizations interested in serving the disabled, cities or counties, or any organization or person deemed equipped by the board of directors, provide for group residence rehabilitation centers within the rehabilitation district. Such group residence centers shall be used [as living units, with or without board,] for those students or trainees of the rehabilitation district[; who have become gainfully employable and/or employed; and] who, in the opinion of the board of directors, would benefit from group living while adjusting to work and to general society.

SECTION 6. Section 26.16, Education Code, is repealed.

ARTICLE VI. PROGRAMS

PART A. SPECIAL EDUCATION (TRANSFER FROM CHAPTER 16)

SECTION 1. Section 16.104, Education Code, is transferred to Subchapter N, Chapter 21, Education Code, is renumbered, and is amended to read as follows:

SUBCHAPTER N. SPECIAL EDUCATION PROGRAM

Sec. 21.501. STATEWIDE PLAN. [Sec. 16.104. COMPREHENSIVE SPECIAL EDUCATION PROGRAM FOR HANDICAPPED CHILDREN. (a)] The [commissioner of education; with the approval of the] State Board of Education [;] shall develop, and modify as necessary, a statewide design for the delivery of services to handicapped children in Texas which includes rules for the administration and funding of the special education program so that a free appropriate public education is available to all handicapped children between the ages of three and 21 [by no later than September 1, 1980]. The statewide design shall include, but may not be limited to, the provision of services primarily through local school districts and special education cooperatives, supplemented by a regional delivery structure. The board [commissioner] shall further develop and implement a statewide plan with programmatic content which includes procedures designed to:

(1) ensure state compliance with requirements for supplemental federal funding for all state-administered programs involving the delivery of instructional or related services to handicapped students as defined in this section;

(2) facilitate interagency coordination when state agencies other than the Central Education Agency are involved in the delivery of instructional or related services to handicapped students;

(3) assess statewide personnel needs in all areas of specialization related to special education on a periodic basis and pursue strategies to meet those needs through a consortium of representatives from regional education service centers, local education agencies, and institutions of higher education and through other available alternatives;

(4) ensure that regional education service centers throughout the state maintain a regional support function, which may include direct service delivery and a component designed to facilitate the placement of handicapped students who cannot be appropriately served within their resident districts;

(5) allow the Central Education Agency to effectively monitor and periodically conduct site visits of all local districts to ensure that [agency] rules adopted under this section are

applied in a consistent and uniform manner, to ensure that districts are complying with those rules, and to ensure that annual statistical reports filed by the districts are accurate and complete;

(6) ensure the availability of sequentially related, field-based, inservice special education training programs for regular and special educators serving handicapped students and further ensure that all local districts dedicate at least the equivalent of one full day of their required inservice program per school year to that special education inservice training for those personnel;

(7) ensure that appropriately trained personnel are involved in the diagnostic and evaluation procedures operating in all local districts and that those personnel routinely serve on local district admissions, review, and dismissal teams;

(8) ensure that an individualized education plan for each handicapped student is properly developed, implemented, and maintained in the least restrictive environment which is appropriate to meet the student's educational needs;

(9) ensure that, when appropriate, each handicapped student is provided an opportunity to participate in vocational and physical education classes, in addition to participation in regular or special classes; and

(10) ensure that each handicapped student is provided necessary related services.

Sec. 21.502. DEFINITIONS. [(b)] As used in this subchapter [section]:

(1) "Special services" means:

(A) "special teaching," which may be provided by professional and paraprofessional personnel in the following instructional settings:

- (i) resource room;
- (ii) self-contained classroom, regular or special campus;
- (iii) hospital or community class;
- (iv) homebound or bedside;
- (v) speech or hearing therapy class; or

(B) "related services," which are developmental, corrective, supportive, or evaluative services, not instructional in nature, that may be required for the proper development and implementation of a handicapped student's individualized educational plan, including but not limited to special transportation, school health services, counseling with students or families, psychological services, audiological services, visual training, medical or psychiatric diagnostic services, occupational therapy, physical therapy, recreational therapy, social work services, parent counseling and training, adaptive equipment, special seating, orientation and mobility training, speech therapy, music therapy, and corrective therapy.

(2) "Resident district" means the local school district in which the parent or other person who has the primary legal obligation for care, control, and custody of a handicapped student resides, except that if the state is managing conservator of the student, the resident district is the district within which the student is placed by the state.

Sec. 21.503. ELIGIBILITY CRITERIA. (a) [(e)] The commissioner, with the approval of the State Board of Education, shall develop specific eligibility criteria based on the general classifications established by this section with reference to contemporary diagnostic or evaluative terminologies and techniques. Eligible handicapped students shall enjoy the right to a free appropriate public education, which may include instruction in the regular classroom, instruction through special teaching, or instruction through contracts approved under this section. Instruction shall be supplemented by the provision of related services when appropriate.

(b) The following classifications of handicapped students shall serve as the general eligibility criteria for participation in a district's special education program:

(1) "Handicapped students" means students between the ages of 3 and 21, inclusive: [(1)]

(A) with educational handicaps (physically handicapped, auditorially handicapped, visually handicapped, mentally retarded, emotionally disturbed, learning disabled, speech handicapped, autistic, or multiply handicapped); and children leaving and not attending public school for a time because of pregnancy; and

(B) whose disabilities are so limiting as to require the provision of special services in place of or in addition to instruction in the regular classroom.

(2) "Physically handicapped students" means students whose body functions or members are so impaired from any cause that they cannot be adequately or safely educated in the regular classes of the public schools without the provision of special services.

(3) "Auditorially handicapped students" means students whose hearing is so impaired that they cannot be adequately educated in the regular classes of the public schools without the provision of special services.

(4) "Visually handicapped students" means students whose sight is so impaired that they cannot be adequately or safely educated in the regular classes of the public schools without the provision of special services.

(5) "Mentally retarded students" means students with significantly subaverage general intellectual functioning existing concurrently with deficiencies in adaptive behavior and manifested during the developmental period such that they cannot be adequately educated in the regular classes of the public schools without the provision of special services.

(6) "Emotionally disturbed students" means students whose emotional condition is psychologically or psychiatrically determined to be such that they cannot be adequately and safely educated in the regular classes of the public schools without the provision of special services.

(7) "Learning disabled students" means students:

(A) who demonstrate a significant discrepancy between academic achievement and intellectual abilities in one or more of the areas of oral expression, listening comprehension, written expression, basic reading skills, reading comprehension, mathematics calculation, mathematics reasoning, or spelling;

(B) for whom it is determined that the discrepancy is not primarily the result of visual handicap, hearing impairment, mental retardation, emotional disturbance, or environmental, cultural, or economic disadvantage; and

(C) for whom the inherent disability exists to a degree such that they cannot be adequately served in the regular classes of the public schools without the provision of special services *other than those provided under compensatory education programs*.

(8) "Speech handicapped students" means students whose speech is so impaired that they cannot be adequately educated in regular classes of the public schools without the provision of special services.

(9) "Autistic students" means students whose disturbances of speech and language, relatedness, perception, developmental rate, and motility are such that they cannot be adequately educated in the regular classes of the public schools without the provision of special services.

(10) "Multiply handicapped students" means students handicapped by any two or more of the handicapping conditions described in Subdivisions (2) through (9) of this subsection that may result in multisensory or motor deficiencies and developmental lags in the cognitive, affective, or psychomotor areas such that they cannot be adequately educated in the regular classes of the public schools without the provision of special services.

~~[(d)(1) Except as provided in Subdivision (2) of this subsection a school district is allocated 30 special education personnel units for the first 3,000 students in refined average daily attendance; one special education personnel unit for each additional 100 students in refined average daily attendance up to a total of 6,000 students in refined average daily attendance; and .85 special education personnel unit for each additional 100 students in refined average daily attendance thereafter. The units may be used only for personnel listed in Subsections (c) and (4) of this section.~~

~~[(2) If less than 12 percent of the district's students are identified as eligible handicapped students and provided with special services by the district's special education personnel, the number of special education personnel units to which the district is entitled under Subdivision (1) of this subsection shall be reduced to a percent of full allocation based on the percent of students served according to the following schedule:~~

Percent served	Percent of full allocation
12%	100%
11%	94%
10%	88%
9%	82%
8%	76%
7%	70%
6%	63%
0/5% set by commissioner, not to exceed	56%

~~[(3) The percent of students served is determined by dividing the number of identified and eligible handicapped students served by the district's special education personnel by the district's refined average daily attendance and rounding the dividend to the nearest 10th. A district that serves less than 12 percent of the students in refined average daily attendance is entitled to an increase in the percent of~~

allocation for a percent of students served specified in the schedule above equal to one percent of full allocation for each additional one-tenth of one percent of the students served but not exceeding the allocation specified on the schedule for the next highest percent of students served.

[(4) Local districts may receive an additional allocation of \$100 per personnel unit as a start-up allocation during the first year of a new unit's activation.

[(5) In addition to all other allocations authorized in this section, any local district may receive supplemental special education personnel unit allocations through application by the district to the commissioner of education. The application shall include a thorough demonstration of the particular needs which justify the requested supplemental allocation. Under rules adopted by the State Board of Education, the commissioner may approve the allocations on a discretionary basis, having primary regard for those requests which demonstrate such circumstances as:

[(A) an unusually high concentration of handicapped students or an unusually high concentration of severely handicapped students eligible to receive services required by law to be provided by the applicant district's personnel and to whom the actual demonstrated cost of providing an appropriate education to those students either individually or collectively overcomes the district's ability to meet those needs after a proper utilization of that district's allocations under this section;

[(B) an unusual cost burden imposed on a rural school district due to the difficulty involved in serving handicapped students in sparsely populated areas; or

[(C) an unusual difficulty involved in the administration of a special education cooperative which indicates a need for additional support personnel.

[(6) Each local district is entitled to a basic support allocation of \$400 for each personnel unit activated under this section. Local districts may expend these funds to provide special instructional materials and related services or for consultant services, pupil evaluation services, or personnel travel in multicounty or multicounty school districts in accordance with rules adopted by the State Board of Education.

[(7) Any personnel units allocated under this subsection but not utilized by the local district may be reallocated by the commissioner in the manner described in Subdivision (5) of this subsection.

[(e) Professional personnel for the operation and maintenance of a program of special education shall be:

[(1) handicapped students' teachers, including itinerant teachers whose duties may or may not be performed in whole or in part on the campus of a school;

[(2) special education related service personnel, including occupational therapists, physical therapists, nurses, orientation and mobility instructors, and other noneducational personnel who are otherwise professionally licensed by state or national certification recognized by the commissioner of education; and

[(3) special education support personnel, including special education directors, special education supervisors, special education counselors, special education visiting teachers, psychologists, educational diagnosticians, and other pupil evaluation specialists.

[(f) Paraprofessional personnel for the operation and maintenance of a program of special education shall consist of persons engaged as teacher aides, who may or may not hold a teacher certificate.

[(g) Certification standards for professional and paraprofessional personnel authorized in Subsections (e) and (f) of this section shall be developed by the commissioner, approved by the State Board of Education, and reviewed periodically. The standards shall be independent of certification or endorsement in other fields and shall include requirements for additional training and recertification as necessary.

[(h) Except as provided by Subsection (i) of this section, the minimum salary levels, months of service, and personnel unit values for all authorized personnel shall be determined by the provisions of Section 16.056 of this code. If positions authorized in this section are not specifically provided for in Section 16.056, the commissioner shall add those positions to the Texas Public Education Compensation Plan in accordance with Subsection (e) of Section 16.056 of this code.]

Sec. 21.504. PERSONNEL CONTRACTS. [(4)] Special education [unit] personnel may be employed on a full-time, part-time, or consultative basis. Any school district may [; with the commissioner's approval, utilize its personnel unit allocations to] employ special education [authorized] personnel on a 10-, 11-, or 12-month basis [in accordance with rules adopted by the State Board of Education]. Handicapped students' teachers, paraprofessional

personnel, or related service personnel employed on an extended basis ~~[under this subsection]~~ shall, during the extended period of their contract, only be engaged in pupil evaluations or in direct service delivery to handicapped students for which the disruption of continuous services may result in severe regression.

Sec. 21.505. COOPERATIVES. ~~[(4)]~~ In accordance with rules adopted by the State Board of Education, local districts may jointly operate their special education programs. *Funds* ~~[Personnel units and other funds]~~ to which the cooperating districts are entitled ~~[under this section]~~ may be allocated to the districts jointly as cooperative units or cooperative funds in accordance with the cooperative districts' agreement.

Sec. 21.506. CONTRACTS FOR SERVICES; RESIDENTIAL PLACEMENT. (a) ~~[(4e)]~~ Any local district, special education cooperative, or regional education service center may contract with any public or private facility, institution, or agency within or outside of this state for the provision of services to handicapped students under rules adopted by the State Board of Education. Contracts for residential placements, including placements with the Texas Department of Mental Health and Mental Retardation and its community facilities, Texas School for the Blind, Texas School for the Deaf, and other public or private agencies, institutions, or facilities, shall be approved by the commissioner. The rules shall provide for approval of residential placement contracts only after at least a programmatic evaluation of personnel qualifications, adequacy of physical plant and equipment, and curriculum content. Either the whole or a part of a facility or program may be approved. Rules relating to the residential contract approval process shall include provisions designed to ensure that no contract is approved which:

- (1) involves the delivery of unapproved services;
- (2) involves the delivery of services which the district is capable of providing or is developing the capability to provide; or
- (3) is not cost-effective when compared with other alternatives.

(b) ~~[(4)]~~ Except as provided by Subsection (c) ~~[(m)]~~ of this section, contracts for residential placements when approved may be paid for from a combination of federal, state, and local funds. The local share of the total contract cost per pupil is that portion of the local tax effort (total dollars generated by debt service and maintenance taxes) which exceeds the district's local fund assignment, divided by the average daily attendance in the district. If the contract involves a private facility, the state share of the total contract cost is that which remains after subtracting the local share. If the contract involves a public facility other than a program or facility administered by the Central Education Agency, the state share is that which remains after subtracting the local share from that portion of the contract which involves the costs of instructional and related services. If the contract involves a program or facility administered by the Central Education Agency, there is no state share paid from this program.

(c) ~~[(m)]~~ If the state is managing conservator of a student placed in a private residential facility, the total cost of the residential placement shall be paid from state and federal funds. If the contract involves a public facility other than a program or facility administered by the Central Education Agency, the total of that portion of the contract which involves the costs of instructional and related services shall be paid from state and federal funds. If the contract involves a program or facility administered by the Central Education Agency, there is no state share paid from this program. The State Board of Education shall adopt rules governing the use of federal funds as supplemental or partial payment of the local or state share under ~~[Subsections (4) and (m) of]~~ this section.

(d) ~~[(m)]~~ The resident district has the ultimate responsibility for providing or causing the provision of appropriate services to each handicapped student. If the district contracts for the provision of services rather than providing the services of its own accord, then that district retains the responsibility of overseeing the implementation of the student's individualized education plan as well as the responsibility of an annual reevaluation of the appropriateness of the arrangement. An approved facility, institution, or agency with whom the district contracts shall assume as a part of the contract the responsibility of providing the district with periodic reports of services the student has received or will receive in accordance with the terms of the contract as well as diagnostic or other evaluative information which the district requires in order to fulfill its obligations under this *subchapter* ~~[section]~~. The State Board of Education shall adopt rules designed to effectuate this subsection.

~~[(e)]~~ The salary costs of special education teacher units; other professional and paraprofessional units authorized in this section; operating costs as provided in Subsection ~~(d)(6)~~ of this section and state/portion contract costs as provided in Subsections ~~(4)~~ and ~~(m)~~ of this section; computed as other costs of the Foundation School Program for local fund assignment purposes; shall be paid from the Foundation School Program Fund. Provided further, that any school district may supplement any part of the comprehensive special education program it operates or participates in with funds

or resources available to it from local sources, public or private. Local enrichment may take the form of but is not limited to employing personnel in excess of the state allocation or supplementing minimum salaries of any personnel employed by the district; and any district may at local expense pay for all or part of further or continuing training or education of its special education personnel.

[(p) The legislature shall set a limit on the amount of funds that may be expended under the provisions of this section each year in the General Appropriations Act. Should the amount of funds required to fully fund the provisions of this section pursuant to the rules and regulations of the State Board of Education exceed the amount set by the legislature, the commissioner, with the approval of the board, shall make such adjustments as are necessary to reduce the total cost of the special education program to the limit set by the legislature. The commissioner may make allocations under Subsection (d)(5) of this section not to exceed \$3 million a year from the sum appropriated to fund the provisions of this section. The restriction on the dollar amount available under Subsection (d)(5) of this section does not apply to any funds remaining from the sum appropriated after all other allocations are made or to the remaining balance of unexpended funds carried over from the previous fiscal year.]

PART B. COMPENSATORY EDUCATION (TRANSFER FROM CHAPTER 16); BASIC SKILLS AND ACHIEVEMENT TESTS

SECTION 1. Section 16.176, Education Code, is transferred to Subchapter O, Chapter 21, Education Code, is renumbered, and is amended to read as follows:

SUBCHAPTER O. ASSESSMENT OF BASIC SKILLS AND COMPENSATORY EDUCATION

Sec. 21.551. ADOPTION AND ADMINISTRATION OF INSTRUMENTS. (a) ~~The Central Education Agency [16.176. SUPPORT FOR EDUCATIONALLY DISADVANTAGED PUPILS. (a) In this section "educationally disadvantaged pupils" are pupils who are eligible for the free and reduced lunch program under the provisions of the national school lunch program. The commissioner of education with the approval of the State Board of Education shall review the standards established for educationally disadvantaged pupils and adjust the standards if they perpetuate inequities or become obsolete.~~

~~[(b) Each school district which is eligible and which also receives aid under the national school lunch program is eligible to receive an allotment of \$14, or a greater amount provided by the General Appropriations Act, for each educationally disadvantaged pupil enrolled in its public schools. For purposes of the allocation made pursuant to this section, the number of educationally disadvantaged pupils in each district shall be determined by averaging the best six months' enrollment in the free and reduced lunch program for the school year preceding the biennium in which the allocation is made.~~

~~[(c) Beginning with the 1979/1980 school year, and each year thereafter the Central Education Agency] shall adopt [and administer] appropriate criterion referenced assessment instruments designed to assess minimum basic skills competencies in reading, writing, and mathematics for all pupils at the first, third, fifth, seventh, and ninth grade levels [level] and in mathematics and English language arts for all pupils at the 12th grade level.~~

~~[(b) The Central Education Agency shall also adopt [and administer to all ninth grade pupils] secondary exit level assessment instruments designed to assess [minimum] mathematics and English language arts competencies for pupils at the 12th grade level. The State Board of Education shall administer the assessment instruments [which it deems appropriate for a high school graduate].~~

~~[(c) The secondary exit level assessment instrument must be administered to all pupils at the 11th grade level. Each pupil who did not perform satisfactorily on all sections when tested at the 11th grade level shall be given opportunities during the 11th and 12th grade levels to retake the sections of the assessment instrument on which the pupil did not perform satisfactorily, including the opportunity to retake those sections during the final month of the school term in which the pupil is enrolled at the 12th grade level.~~

Sec. 21.552. SATISFACTORY PERFORMANCE. The State Board of Education shall determine the level of performance considered to be satisfactory on the assessment instruments.

Sec. 21.553. EXIT LEVEL PERFORMANCE REQUIRED. (a) A pupil who has not performed satisfactorily on all sections of the secondary exit level assessment instrument by the time the pupil has successfully completed the 12th grade level shall not receive a high school diploma until the pupil has performed satisfactorily on all sections of the secondary exit level assessment instrument.

(b) *Each time the assessment instrument is administered, a pupil who has not been given a high school diploma because of a failure to perform satisfactorily on all sections of the secondary exit level assessment instrument may retake those sections of the assessment instrument on which the pupil has not performed satisfactorily.*

(c) *A pupil who has been denied a high school diploma under the provisions of Subsections (a) and (b) above, and who subsequently performs satisfactorily on all sections of the secondary exit level assessment instrument shall be issued a high school diploma. [All ninth grade students who fail to demonstrate mastery of minimum exit level competencies shall retake the assessment instrument each year the assessment instrument is administered. The board of trustees of a school district may require mastery of minimum exit level competencies as a condition for graduation from high school. Beginning with the 1980/1981 school year and each year thereafter, the Central Education Agency shall adopt and administer appropriate criterion referenced assessment instruments designed to assess basic skills competencies among all students at the third grade level.]*

Sec. 21.554. LOCAL OPTION. In addition to the assessment instruments adopted by the Central Education Agency and administered by the State Board of Education [Central Education Agency], a local school district may adopt and administer criterion and/or norm-referenced assessment instruments at any grade level.

Sec. 21.555. EXEMPTION. Any student who has a physical or mental impairment or a learning disability that prevents the student from mastering the competencies which the basic skills assessment instruments are designed to measure may be exempted from the requirements of this subchapter [section].

Sec. 21.556. CONFIDENTIALITY; PERFORMANCE REPORTS. (a) [(d)] In adopting basic skills assessment instruments and achievement tests pursuant to this subchapter [section], the State Board of Education [Central Education Agency] and/or a local school district shall insure the security of the instruments and tests in their preparation, administration, and grading. Meetings or portions of meetings held by the State Board of Education [Central Education Agency] and/or a local school district at which individual assessment instruments, [or] assessment instrument items, or achievement tests are discussed or adopted are not open to the public under Chapter 271, Acts of the 60th Legislature, Regular Session, 1967, as amended (Article 6252-17, Vernon's Texas Civil Statutes), and the assessment instruments; [and] items, and tests are confidential.

(b) [(e)] The results of individual student performance on basic skills assessment instruments or achievement tests administered pursuant to this subchapter [section] are confidential and may be made available only to the student, the student's parent or guardian, and to the school personnel directly involved with the student's educational program and the Central Education Agency, as required by this subchapter. However, overall student performance data shall be aggregated by campus and district and made available to the public, with appropriate interpretations, at regularly scheduled meetings of the governing board of each school district. The information may not contain the names of individual students or teachers. The commissioner of education shall compile all of the data and report it to the legislature, lieutenant governor, and governor no later than January 1 of each odd-numbered year.

Sec. 21.557. COMPENSATORY AND REMEDIAL INSTRUCTION. (a) [(f)] Each school district shall utilize the student performance data resulting from the basic skills assessment instruments and achievement tests administered pursuant to this subchapter [section] to design and implement appropriate compensatory or remedial instructional services for students in the district's schools:

(b) *Each district shall provide remedial instruction to a student enrolled in the district who has taken the secondary exit level assessment instrument and has not performed satisfactorily on each section. The remedial instruction must satisfy standards adopted by the State Board of Education.*

(c) *Each school district shall provide a remedial program for any student whose achievement test score is below a standard established by the State Board of Education. A school district may provide remedial services to any other student it determines would benefit.*

(d) *Each district [and] shall submit an annual report to the commissioner of education which describes how the instructional [state compensatory funds received pursuant to this section have been used to provide for those] services are provided by campus.*

[(g)] *The legislature in each General Appropriations Act shall set a limit on the amount of funds that may be expended under this section each year. If the total amount of compensatory education aid required by this section exceeds the limit set by the legislature, each district's allotment shall be reduced proportionately until the amount of aid allocated equals that limit.*

Sec. 21.558. COST. The [(h) If the] cost of preparing, administering, or grading the assessment instruments shall be [is] paid from the compensatory aid provided by Section 16.152

of this code, and ~~[this section]~~ each district shall bear the cost on the basis of the number of students in the district to whom the instruments are administered. If a district does not receive an allocation of compensatory aid, the commissioner of education shall subtract the cost from the district's other foundation school fund allocations ~~[allocation]~~.

Sec. 21.559. COMPARISON OF STATE RESULTS TO NATIONAL RESULTS. The Central Education Agency shall compare the results of criterion referenced assessment instruments administered under Section 21.551 of this subchapter to nationally norm-referenced assessment instruments to determine the level of achievement of students in this state as compared to students in other regions of the country.

SECTION 2. (a) Not later than September 1, 1985, the Central Education Agency shall adopt assessment instruments in accordance with Subchapter O, Chapter 21, Education Code, as added by this Act, and shall determine the level of performance that is considered satisfactory on assessment instruments.

(b) Not later than the 1985-1986 school year, the State Board of Education shall begin administering assessment instruments adopted by the Central Education Agency in accordance with Subchapter O, Chapter 21, Education Code, as added by this Act.

(c) During the 1984-1985 school year, the State Board of Education shall administer assessment instruments as provided by Section 16.176, Education Code, as that section existed before being amended by this Act.

PART C. SCHOOL-COMMUNITY GUIDANCE CENTERS

SECTION 1. Subchapter I, Chapter 16, Education Code, is transferred to Subchapter P, Chapter 21, Education Code, is renumbered, and is amended to read as follows:

SUBCHAPTER P [F]. SCHOOL-COMMUNITY GUIDANCE CENTERS

Sec. 21.601 [16.401]. ESTABLISHMENT. (a) Each school district ~~[with an average daily attendance of at least 6,000 students]~~ may establish a school-community guidance center designed to locate and assist children with problems which interfere with their education, including but not limited to juvenile offenders and children with severe behavioral problems or character disorders. The centers shall coordinate the efforts of school district personnel, local police departments, truant officers, and probation officers in working with students, dropouts, and parents in identifying and correcting factors which adversely affect the education of the children.

(b) With the approval of the commissioner of education, school districts with an average daily attendance of less than 6,000 students may cooperate with other districts for the purpose of establishing a common center.

Sec. 21.602 [16.402]. COOPERATIVE PROGRAMS. The board of trustees of a school district may develop cooperative programs with state youth agencies for children found guilty of delinquent conduct.

~~[Sec. 16.403. GUIDANCE CENTER PERSONNEL ALLOTMENTS. (a) Each school community guidance center is eligible for two guidance center teachers; one attendance consultant; and one teacher aide. Each center is also eligible for one additional guidance center teacher for each 6,000 students in average daily attendance above 6,000 students in the district or cooperating districts. One additional attendance consultant and one additional teacher aide shall be provided for every two additional guidance center teachers.~~

~~[(b) The commissioner shall determine the qualifications and applicable pay grade under the Texas State Public Education Compensation Plan for the guidance center teachers, attendance consultants, and teacher aides employed at a center.~~

~~[(c) The local boards of trustees may enter into contracts with other agencies for funding of personnel involved in cooperative programs.~~

~~[Sec. 16.404. OPERATING COSTS. (a) The cost of operating an approved school/community guidance center shall be borne by the state and each participating district on the same percentage basis that applies to financing the Foundation School Program within the district. The state's share of the cost shall be paid from funds appropriated for that purpose. While in attendance at a school/community guidance center, a student may not be counted in the average daily attendance of the school district for other Foundation School Program purposes.~~

~~[(b) Should the appropriation in any biennium be insufficient to fully fund the Act, the State Board of Education shall establish criteria in addition to those provided herein for selecting districts to be funded on a need basis. The commissioner shall use these criteria to determine annually the districts to be authorized to receive funds for operating school/community guidance centers.]~~

Sec. 21.603 [16.405]. COOPERATION OF GOVERNMENTAL AGENCIES. Each governmental agency concerned with children in the school district shall cooperate with the school-community guidance centers on the request of the superintendent of schools and shall designate liaison persons to work with the centers in identifying and correcting problems affecting school-age children in the district.

Sec. 21.604 [16.407]. PARENTAL NOTICE, CONSENT, AND ACCESS TO INFORMATION. (a) Before a student is admitted to a school-community guidance center, the administrator of the center must notify the student's parent or guardian that the student has been assigned to attend the center.

(b) Such notification shall include:

- (1) the reason that the student has been assigned to the center;
- (2) a statement that upon request, the parent or guardian is entitled to be fully informed in writing of any treatment method or testing program involving the student; and
- (3) a statement that the parent or guardian may request to be advised and to give written, signed consent for any psychological testing or treatment involving the student. If, after notification, the parent refuses to consent to such testing or treatment, the center shall not provide any further psychological treatment or testing.

(c) A parent or guardian of a student attending a center is entitled to inspect:

- (1) any instructional or guidance material to be used by the student, including teachers' manuals, tapes, and films; and
- (2) the results of any treatment, testing, or guidance method involving the student.

(d) The administrator of the center may set a schedule for inspection of materials which allows reasonable access but does not interfere with the conduct of classes or business activities of the school.

Sec. 21.605. TRAINING AND MONITORING. (a) The State Board of Education shall review the training requirements for personnel who work at school-community guidance centers and shall establish standards for the training and for the performance of the required services at each center to ensure the effectiveness of the center's program.

(b) The commissioner of education shall monitor each center and, in accordance with rules of the board, may require additional training for personnel if he determines the training is necessary.

Sec. 21.606. PARENTAL INVOLVEMENT. (a) On admitting a student to a school-community guidance center, a representative of the school district, the student, and the student's parent shall develop an agreement that specifies the responsibilities of the parent and the student. The agreement must include:

- (1) a statement of the student's behavioral and learning objectives;
- (2) a requirement that the parent attend specified meetings and conferences for teacher review of the student's progress; and
- (3) the parent's acknowledgement that the parent understands and accepts the responsibilities imposed by the agreement regarding attendance at meetings and conferences and assistance in meeting other objectives, defined by the district, to aid student remediation.

(b) The superintendent of the school district may obtain a court order from a district court in the school district requiring a parent to comply with an agreement made under this section. A parent who violates a court order issued under this subsection may be punished for contempt of court.

(c) In this section, "parent" includes a legal guardian.

PART D. GIFTED AND TALENTED (TRANSFER FROM CHAPTER 16)

SECTION 1. Subchapter J, Chapter 16, Education Code, is transferred to Subchapter Q, Chapter 21, Education Code, is renumbered, and is amended to read as follows:

SUBCHAPTER Q [J]. EDUCATIONAL PROGRAMS FOR GIFTED AND TALENTED STUDENTS

Sec. 21.651. DEFINITION. ~~[16.501. EXEMPLARY PROGRAMS.~~ (a)] As used in this subchapter ~~[section]~~, "gifted and talented student" means a student who, by virtue of outstanding mental abilities, is capable of high performance. The student may demonstrate, singly or in combination, above-average achievement or potential in such areas as general intellectual ability, specific subject matter aptitude, ability in creative and productive thinking, and leadership ability. The phrase does not include students who demonstrate above-average achievement or potential in areas relating to physical abilities.

Sec. 21.652. ESTABLISHMENT. (a) ~~[(b)]~~ The Central Education Agency shall establish exemplary programs for gifted and talented students in various regions of the state.

(b) The exemplary programs shall reflect different approaches and alternatives suitable to the needs of the gifted and talented and commensurate with their learning abilities and special talents.

(c) The exemplary programs shall be representative of different types of districts in various parts of the state in terms of size, composition, geographical influences, and shall be proportionate to the number of gifted and talented students and districts to benefit by their establishment.

Sec. 21.653. STUDENT PARTICIPANTS. [(e)] Students shall be identified as gifted and talented for the exemplary programs through the use of criteria established by the *State Board of Education* [commissioner of education].

Sec. 21.654. APPLICATION. (a) [(d)] A school district or a combination of school districts electing to establish an exemplary program for gifted and talented students shall submit an application to the Central Education Agency *in accordance with rules adopted* [based on guidelines established] by the *State Board of Education* [commissioner of education].

(b) To be eligible for funding consideration, an educational program for gifted and talented students shall be planned and conducted for no less than a full school year.

Sec. 21.655. STATE PLAN, ASSISTANCE. [(e)] The *State Board of Education* [Central Education Agency] shall develop and periodically update a state plan for the education of the gifted and talented to guide local education agencies in establishing and improving programs for students identified as gifted and talented. The Central Education Agency shall assist local education agencies in the development of planned programs which are appropriately designed to meet the special needs of gifted and talented students.

Sec. 21.656 [16.502]. *FUNDING.* (a) The funds for the exemplary programs for gifted and talented students shall be administered by the Central Education Agency. If the total amount of aid requested by applying eligible districts for exemplary programs for gifted and talented students exceeds the amount appropriated for the programs, the Central Education Agency shall select programs to be funded based on the criteria in [Subsection (b) of] Section 21.652 of this code [16.501] and the rules adopted by the *State Board of Education* [guidelines established by the commissioner of education pursuant to Subsection (d) of Section 16.501]. The cost is borne by the district and the state in the same percentages used to determine the state/local shares under Chapter 16 of this code. The state's share of the cost shall be paid from the foundation school fund and shall be considered by the foundation school fund budget committee in estimating the funds needed for foundation school program purposes.

(b) Applying eligible districts shall receive an allotment equal to the state's share of \$150 per pupil identified and served by the district in an exemplary program. A district or combination of districts must identify a minimum of 20 students to be eligible for an allotment. For the purposes of receiving funds under this section, no district may count as pupils served more than five percent of its total average daily attendance and no district shall receive in excess of \$100,000.

(c) Up to 10 percent of the funds allocated for the establishment of the exemplary programs may be reserved by the commissioner of education for program administration in coordination with the regional education service centers for program planning, technical assistance, and statewide staff development.

PART E. DRIVER EDUCATION

SECTION 1. Section 16.177, Education Code, is transferred to Subchapter D, Chapter 21, Education Code, is renumbered, and is amended to read as follows:

Sec. 21.102 [16.177]. *DRIVER EDUCATION.* (a) The Central Education Agency shall develop a program of organized instruction in driver education and traffic safety for public school students who are 15 years of age or older.

(b) With the approval of the State Board of Education, the commissioner of education shall establish standards for the certification of professional and paraprofessional personnel who conduct the programs in the public schools.

[(e) Beginning with the 1975/1976 school year, a school district is eligible to receive annually funds to finance a driver education program in an amount not to exceed \$25 multiplied by 20 percent of its high school enrollment in grades 10/12; but in no instance shall the allotment made to the district exceed \$25 multiplied by the number of students actually enrolled in driver education during the school year for which the funds were provided.]

PART F. TRANSPORTATION

SECTION 1. Subchapter F, Chapter 16, Education Code (except Section 16.206, which is transferred by another section of this Act), is transferred to Subchapter F, Chapter 21, Education Code, is renumbered, and is amended to read as follows:

[SUBCHAPTER F. TRANSPORTATION COMPONENT]

~~[Sec. 16.201. TRANSPORTATION SERVICES. Transportation services shall be provided and allotments therefor shall be determined according to the provisions of this subchapter.]~~

Sec. 21.174 [16.202]. PUBLIC SCHOOL TRANSPORTATION SYSTEM. (a) The county school boards, where funded under law, or local district school boards, subject to approval by the state commissioner of education, are authorized to establish and operate an economical public school transportation system within their respective counties or school districts.

(b) In establishing and operating such transportation systems, the county or local district school boards shall:

(1) requisition buses and supplies from the state board of control as provided for in this subchapter;

(2) prior to June 1 of each year, with the commissioner's approval, establish school bus routes in their respective counties or districts for the succeeding school year;

(3) employ school bus drivers certified in accordance with standards and qualifications promulgated jointly by the *State Board of Education* [~~Central Education Agency~~] and the Texas Department of Public Safety as required by law; and

(4) be responsible for the maintenance and operation of school buses.

~~[Sec. 16.203. COUNTY AND DISTRICT TRANSPORTATION FUNDS. State warrants for transportation, payable to the county or district school transportation fund, shall be for the total amount of transportation funds for which the county or district is eligible under the provisions of this subchapter.]~~

Sec. 21.175 [16.204]. USE OF BUSES FOR EXTRACURRICULAR ACTIVITIES, ETC. (a) The county or district school boards and the state commissioner of education shall promulgate regulations in regard to the use of school buses, for other than transporting eligible children to and from school. Under rules and regulations of the State Board of Education, the appropriate allocation in the county transportation fund, when approved by the county school board, or the district transportation fund, when approved by the board of trustees of the independent school district operating its own transportation system, may be used for school bus transportation of its pupils and necessary personnel on extracurricular activities and field trips sponsored by the respective district.

(b) Subject to the rules of the *State Board of Education* [~~commissioner of education~~], a school district or county school board governing a countywide transportation system may contract with nonschool organizations for the use of school buses. The district may provide services relating to the maintenance and operation of the buses in accordance with the terms of the contract.

Sec. 21.176 [16.205]. APPROVED SCHOOL BUS ROUTES. School buses shall be operated to and from school on approved school bus routes and no variations shall be made therefrom. The penalty for varying from authorized routes and for unauthorized use of buses shall be the withholding of transportation funds from the offending county or school district. In the event the violation is committed by a district which receives no Foundation School Program funds, the penalty provisions of Section 4.02 of this code shall be applied.

Sec. 21.177 [16.207]. ROUTES AND SYSTEMS: EVALUATION AND APPROVAL. (a) All bus routes and transportation systems shall be reviewed by the state commissioner of education and he shall be responsible for establishing criteria for evaluating the several transportation systems of this state, but all the criteria shall be subject to approval by the State Board of Education.

(b) The commissioner shall evaluate all transportation systems as rapidly as possible.

(c) No new bus routes or extensions shall be approved prior to the survey of the transportation system of the district or county requesting them.

(d) In approving a transportation system for a district or county, consideration shall be given to providing transportation for only those pupils who reside in hazardous areas or live two or more miles from the school they attend except handicapped pupils. No consideration shall be given to providing transportation for pupils transferred from one district to another when their grades are taught in their home district unless transferred as provided by law and transportation has been approved as provided by law.

(e) There shall be no duplication of bus routes and services within sending districts by buses operated by two school districts and/or counties except on approval by the state commissioner of education.

~~[Sec. 16.208. USE OF TRANSPORTATION FUNDS FOR OTHER PURPOSES. No funds paid to the several transportation units for the operation of transportation systems in this state shall be expended for any other purpose.]~~

Sec. 21.178 [16.200]. RULES [OF COMMISSIONER]. The [commissioner of education shall formulate rules and regulations, subject to approval by the] State Board of Education shall adopt rules for enforcing the provisions of this subchapter.

Sec. 21.179 [16.210]. APPEALS. Appeals to the commissioner of education and to a district court of Travis County [the State Board of Education] may be had from policy decisions of the school boards affecting transportation.

Sec. 21.180 [16.211]. PURCHASE OF VEHICLES. (a) Motor vehicles used for the purpose of transporting school children, including school buses, their chassis and/or bodies purchased through the state board of control, shall be paid for by the state board of control as set out in applicable laws. The legislature may appropriate out of any money in the state treasury not otherwise appropriated a sum not exceeding \$250,000, or as much thereof as necessary, for the state board of control to be used for such purposes.

(b) Any sum appropriated shall be known as the school bus revolving fund. When motor vehicles and school buses are delivered to the various schools coming within the provisions of this subchapter [chapter], the governing bodies of those schools shall reimburse the state board of control for the money expended for such school buses including their chassis and/or bodies and the money shall be deposited by the state board of control in the school bus revolving fund.

Sec. 21.181 [16.212]. CONTRACT WITH TRANSPORTATION COMPANY OR SYSTEM. (a) As an alternative to maintaining and operating a complete public school transportation system under this subchapter,:

[1] a county or district school board may contract with a public or commercial transportation company or system for all or any part of its public school transportation if the board is able to obtain an economically advantageous contract, provided that the commercial transportation company or system:

(1) [(A)] requires its school bus drivers to be certified by the Central Education Agency; and

(2) [(B)] uses only those school buses in transporting public school students that satisfy safety requirements imposed by law on school buses operated by public school transportation systems.

(b) A contract is economically advantageous if the cost of the service contracted for is equal to or less than the total cost to the school district for providing its own complete bus service. The total cost to the school district is the state transportation cost allotment plus the supplementary funds necessarily provided by the local school district to provide complete transportation services.

(c) This section in no way prohibits the local school board from supplementing the state transportation cost allotment with local funds necessary to provide complete transportation services.

(d) The [state commissioner of education, subject to the approval of the] State Board of Education, shall adopt [make] rules for the administration of this section.

(e) Contracts for alternative public school transportation may include provisions for transporting students to and from approved school activities.

(f) Upon approval of the contract by the State Board of Education, the portion of the annual transportation allotment which is to be used to finance the contract for alternative transportation services shall be included in the annual transportation cost allotment for the respective county or district.

SECTION 2. Section 21.173(a), Education Code, is amended to read as follows:

(a) Except as otherwise provided by this section, a school district that receives funding under Subsection (h) [(i)] of Section 16.156 [16.206] of this code may not require or allow a child to stand on a school bus that is in motion.

PART G. DISCIPLINE MANAGEMENT

SECTION 1. Chapter 21, Education Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. DISCIPLINE MANAGEMENT PROGRAMS

Sec. 21.701. ADOPTION AND APPROVAL OF PROGRAMS. Each school district shall adopt and implement a discipline management program. Before implementation, the proposed program must be submitted to the Central Education Agency, which shall review and approve or reject the program.

Sec. 21.702. CONTENT OF APPROVED PROGRAMS. To be approved, a discipline management program must:

(1) encourage the commitment, cooperation, and involvement of school district administrators, teachers, parents, and students in the development of the program;

(2) encourage the use of the regional education service center to assist in developing the program and providing training to teachers and administrators;

(3) require the designation of a person in each school with special training in discipline management to implement and assess the program in that school and to identify and refer appropriate students to school-community guidance programs;

(4) require the development of a student code of conduct that clearly describes the district's expectations with respect to student conduct, including provisions similar to the Attorney General's Proposed Voluntary Student Code of Conduct of 1980, and specifies the consequences of violating the code;

(5) specifically outline the responsibilities of teachers, administrators, parents, and students in the discipline management program; and

(6) make parental involvement an integral part of the discipline management program, requiring:

(A) at least two parent-teacher conferences during each school year;

(B) parent training workshops for home reinforcement of study skills and specific curriculum objectives; and

(C) a written statement signed by each parent that the parent understands and consents to the responsibilities outlined in the program.

Sec. 21.703. RECOMMENDING TRAINING PROGRAMS. The agency shall recommend to school districts specific training programs at institutions of higher education to assist the districts in developing the discipline management programs.

Sec. 21.704. MONITORING. The agency shall monitor through the accreditation process the development, implementation, and enforcement of discipline management programs. The agency shall make recommendations for improving programs that it determines are not functioning as effectively as possible and shall establish procedures for monitoring improvement.

Sec. 21.705. TEACHER TRAINING. (a) Each school district shall provide, and each teacher must successfully complete, training in the discipline management program that is adopted in the district.

(b) Training under this section may be provided through inservice work or another instructional arrangement.

(c) The school district must use inservice work for reinforcing teacher training in discipline management.

Sec. 21.706. GUARDIANS. In this subchapter, "parent" includes a legal guardian.

SECTION 2. Each school district shall implement a discipline management program in accordance with Subchapter R, Chapter 21, Education Code, as added by this Act, not later than September 1, 1986. Each school district shall verify to the Central Education Agency, not later than December 31, 1986, that each teacher in the district has received training in accordance with Section 21.705, Education Code, as added by this Act. The State Board of Education may prescribe a deadline for submission of the programs for approval, consistent with the date of required implementation.

SECTION 3. Subchapter I, Chapter 21, Education Code, is amended by amending Section 21.301 and adding Section 21.3011 to read as follows:

Sec. 21.301. REMOVAL OF INCORRIGIBLE PUPILS; ALTERNATIVE EDUCATION PROGRAM. (a) The board of trustees of a school district or the board's designate, on finding a pupil guilty of incorrigible conduct, may remove the pupil to an alternative education program. The board or its designate may not suspend or expel the pupil except as provided by Section 21.3011 of this code. ~~[SUSPENSION OF INCORRIGIBLE PUPIL. (a) The board of trustees of any school district may suspend from the privileges of the schools any pupil found guilty of incorrigible conduct, but such suspension shall not extend beyond the current term of the school.]~~

(b) To find a pupil guilty of incorrigible conduct, the board of trustees or the board's designate, at a hearing that provides procedural due process, must find:

(1) that the pupil's continued presence in the regular classroom program or at the home campus presents a clear, present, and continuing danger of physical harm to the pupil or to other individuals; or

(2) that:

(A) the pupil has engaged in serious or persistent misbehavior that threatens to impair the educational efficiency of the school;

(B) the misbehavior violates specific, published standards of student conduct for the school district; and

(C) all reasonable alternatives to the pupil's regular classroom program, including a variety of discipline management techniques, have been exhausted.

(c) The pupil's parent or a representative is entitled to notice of and to participate in a disciplinary proceeding under this section.

(d) Except as provided by this subsection, the term of a removal under this section may not exceed the end of the semester during which the conduct that directly led to the removal occurred. If the conduct occurred during the final six-week reporting period of a semester, the term of the removal may exceed the end of that semester but may not exceed the end of the next semester.

(e) The board of trustees or its designate shall make reasonable efforts to provide for the continuing education of a pupil removed under this section, including providing for the pupil to be in:

(1) a supervised educational setting, such as:

(A) in-school suspension;

(B) reassignment of classes;

(C) transfer to a different school campus;

(D) transfer to a school-community guidance center; and

(E) assignment to a community-based alternative school; or

(2) an unsupervised educational setting, including home-based instruction.

(f) A pupil who is removed for being truant or tardy may not be placed in an unsupervised educational setting.

(g) A teacher may remove a pupil from class in order to maintain effective discipline in the classroom. The principal shall respond by employing disciplinary alternatives consistent with local policy.

(h) The board of trustees or the board's designate shall recommend for disciplinary action a pupil who has accrued more than five days of unexcused absence during a semester or more than 10 days of unexcused absence during a school year.

(i) A decision to remove a pupil made under Subsection (a) of this section may be appealed to the board of trustees.

(j) Pending an appeal under Subsection (i) of this section, a pupil may not be denied the privileges of the pupil's home campus unless the board of trustees or the board's designate determines that the pupil's continued presence at the home campus presents a continuing danger of physical harm to the pupil or to other individuals.

(k) Each school district shall develop an alternative education program for pupils found guilty of incorrigible conduct that provides for keeping the pupils in an educational environment with the school district's supervision. Each school district shall submit for approval to the State Board of Education an outline of its program developed under this subsection.

(e) A teacher may recommend for suspension, and remove from class immediately, any pupil who assaults that teacher on school property as defined in Section 4-23(b) of this code, or has been documented in that teacher's opinion to repeatedly interfere with that teacher's ability to communicate effectively with the majority of students in the class.

(d) Upon a recommendation for suspension under Subsection (e) of this section, the principal shall schedule a hearing within three class days following the pupil's removal between the principal, or a designated representative, a parent or guardian of the pupil, the teacher, and the pupil. Following the hearing, and whether or not all requested parties are in attendance after valid attempts to require their attendance, the principal shall:

[(1) suspend the pupil from the privileges of the schools for any period of time consistent with local policy; but not beyond the current term of school; or

[(2) suspend the pupil from the class for any period of time not to extend beyond the current term of school; or

[(3) place the pupil back in that class. If the pupil commits a second offense under this section, the pupil may be removed from that class immediately by the teacher, and following the teacher's recommendation for suspension may not return to that class during the current term of school without the teacher's approval. The recommendation of the teacher may only be reversed by action of the superintendent at the request of the principal. Upon any third or subsequent offense under this section by the same pupil, only the board of trustees may return that pupil to that class during the current term of school after the teacher's recommendation has been reversed by the principal and superintendent.

~~[(c) Regardless of the decision at any hearing, any party may appeal the decision to the superintendent of schools and thereafter, if desired, to the board of trustees.]~~

Sec. 21.3011. EXPULSION OF INCORRIGIBLE PUPIL. (a) A pupil who has assaulted a teacher or other individual on school property may be removed immediately from class and expelled without resort to an alternative education program under Section 21.301 of this code if, in the opinion of the board of trustees or the board's designate, the pupil's continued presence in the class presents a clear, present, and continuing danger of physical harm to the pupil or to other individuals on school property.

(b) If the board of trustees or the board's designate determines that a pupil, after having been placed in an alternative education program under Section 21.301 of this code, has continued to be guilty of incorrigible conduct to the extent that keeping the pupil in the program or the schools would seriously impair the ability of the program or the schools to provide education to other students and that no further reasonable efforts to provide for the continuing education of the pupil can be made, the board or its designate by written order may expel the pupil from the school system. The board or its designate shall set a term for the expulsion, which may not extend beyond the current term of the school year except as provided by Section 21.301(d) of this code.

(c) A decision to expel a pupil under this section may be appealed to the board of trustees.

(d) The board or its designate shall deliver a copy of the order expelling the pupil to the pupil and the pupil's parent or guardian. The board or its designate shall also deliver a copy of the order to the authorized officer of the juvenile court in the county in which the pupil resides. The officer shall determine whether a petition should be:

(1) filed alleging that the pupil is in need of supervision; or

(2) referred to an appropriate state agency.

(e) Each school district shall provide each teacher and administrator with a copy of Section 21.301 of this code and this section and a copy of any local policies related to those sections.

SECTION 4. Subsection (d), Section 4.20, Education Code, is amended to read as follows:

(d) It shall be the duty of school directors, boards of education, school instructors, and other corporate authority managing and controlling any of the public schools of this state within the provisions of this section to ~~recommend placing in an alternative education program [suspend or expel from the school under their control]~~ any pupil of a school under their control ~~[such school]~~ who shall be or remain a member of, or who shall join or promise to join, or who shall become pledged to become a member of, or who shall solicit any other person to join, promise to join, or be pledged to become a member of any such public school fraternity, or sorority, or secret society. The above restrictions shall not be construed to apply to agencies for public welfare, viz.: Boy Scouts, Hi-Y, Girl Reserves, DeMolay, Rainbow Girls, Pan-American Clubs, scholarship societies, and other kindred educational organizations sponsored by the state or national education authorities.

PART H. VOCATIONAL EDUCATION

SECTION 1. Subchapter D, Chapter 21, Education Code, is amended by adding Sections 21.112 and 21.113 to read as follows:

Sec. 21.112. APPROVAL AND REVIEW OF VOCATIONAL PROGRAMS. (a) The State Board of Education shall adopt rules for vocational-technical education in public schools.

(b) Each vocational program must be approved by the State Board of Education. Each district shall review each vocational education program at least once every five years to reestablish approval status. Criteria to be used for granting continued approval shall be set forth in the rules of the State Board of Education.

(c) Priority shall be given to requests for vocational programs specifically identified on a list of priority occupations approved by the State Board of Education. The state board shall annually update the priority list for use by school districts in planning vocational programs.

(d) Prior to requesting a new vocational program, a district shall undertake a cost study to determine if it is more cost-effective to operate its own program than to undertake a contractual agreement with another school district, with a public or private postsecondary institution, or with a trade or technical school to provide the vocational program for students in the school district.

(e) All new, additional, and continuing vocational programs shall offer competency-based instruction. Instruction must be based on the essential elements approved by the State Board of Education. A competency profile must be maintained for each student enrolled.

(f) All new and additional vocational program requests must include a plan for articulation between the proposed vocational program and existing postsecondary programs in the area.

(g) The State Board of Education rules shall set forth minimum enrollments for each type of vocational program. The minimum enrollment must be maintained by a district in order to receive full funding. The rules must also contain procedures for adjusting funding entitlements downward for enrollments below minimum levels.

(h) A district may employ vocational personnel on 10-, 11-, or 12-month contracts, in accordance with the rules adopted by the State Board of Education.

(i) A district may assign vocational teachers to teach other subject areas in which the teachers are certified or to other duties as necessary. Vocational funding for the teachers assigned nonvocational duties will be reduced by an amount equal to the portion of the school day during which those duties are performed.

(j) A district may use vocational program facilities and equipment for nonvocational instructional programs. Each district shall develop guidelines denoting responsibility for program facilities and equipment when being used for nonvocational instructional purposes.

(k) A district shall give priority to using employer-based facilities for vocational training in occupations in which rapid technological advancements make it impractical to develop in-school laboratory programs.

(l) Working in conjunction with the State Job Training Coordinating Council, the State Board of Education and public school districts shall consider developing training programs for adults, to include displaced workers, using existing school facilities and personnel at times when the facilities or personnel are not being used for in-school students.

(m) From funds available under Section 16.155 of this code, the State Board of Education may establish incentives for districts to utilize industry personnel as part-time instructors or as a part of team teaching.

(n) Beginning with the 1985-1986 school year, each district enrolling a student in a vocational program shall consider the suitability of established vocational curricula for the student and the adequacy of the student's academic preparation for admission to a particular vocational curriculum. A district may enroll students with special learning needs in vocational programs specifically designed to serve those needs, in accordance with rules adopted by the State Board of Education.

Sec. 21.113. MASTER PLAN FOR VOCATIONAL EDUCATION. (a) The State Board of Education shall prepare and annually update a master plan for vocational education in Texas which sets forth objectives for vocational education for the next school year and long-term goals for the following five years.

(b) The master plan design must include the provision of vocational programs through public school districts and public postsecondary institutions and the support of those programs by private employers and proprietary schools. The vocational programs must be designed to meet the needs of new and emerging occupations listed on the State Board of Education priority list of occupations and to meet the needs of special population groups such as handicapped persons, disadvantaged persons, and adults.

(c) The master plan must include procedures designed to ensure that:

(1) all secondary and postsecondary students in Texas have the opportunity to participate in vocational education programs;

(2) the state complies with requirements for supplemental federal vocational education funding; and

(3) vocational education is established as a part of the total education system of the State of Texas.

(d) The State Board of Education shall develop the master plan with information and advice from the Advisory Council for Technical-Vocational Education in Texas, from other concerned departments and agencies of state government, from local school districts and postsecondary institutions, from local advisory councils, and from private and proprietary organizations and institutions. The State Board of Education shall hold a public hearing annually prior to its final approval of the master plan or update of the master plan.

(e) It is the intent of the legislature that the plan be designed to meet the needs of the State of Texas for vocational education, in contrast to a plan which is only a document for compliance with federal laws and regulations.

(f) The State Board of Education shall issue annually, not later than September 30, a schedule of activities involved in preparing and updating the master plan and shall make the schedule available to all persons concerned with the planning of vocational education in the state.

(g) The State Board of Education shall evaluate quantitatively and qualitatively vocational programs and the progress under and compliance with the master plan and shall biennially report its findings to the legislature, the governor, and the Advisory Council for Technical-Vocational Education in Texas.

PART I. ALTERNATIVE EDUCATION PROGRAMS OUTSIDE THE SCHOOLS

SECTION 1. Subchapter A, Chapter 11, Education Code, is amended by adding Section 11.205 to read as follows:

Sec. 11.205. DROPOUT REDUCTION PROGRAM. (a) *The Central Education Agency may develop a program to reduce the rate of students leaving the public school system before completing high school. The goal of the program shall be to reduce the statewide dropout rate to not more than five percent of the total student population.*

(b) *The agency may develop a system for school districts to collect data on student dropouts. The system must attempt to collect data regarding each student dropout, including the age, sex, ethnic origin, socioeconomic status, and highest completed grade level of the student dropout.*

SECTION 2. The Texas Job-Training Partnership Act (Article 4413(52), Vernon's Texas Civil Statutes), is amended by adding Section 9A to read as follows:

Sec. 9A. CONTRACTS FOR STUDENT DROPOUTS. (a) *The Texas Department of Community Affairs is authorized to enter into contracts with private, nonprofit organizations that conduct model or exemplary youth programs that meet the unique educational needs of student dropouts to provide educational services to student dropouts. A contract under this section must be made in accordance with the same procedure by which a state agency contracts with a private consultant under Chapter 454, Acts of the 65th Legislature, Regular Session, 1977 (Article 6252-11c, Vernon's Texas Civil Statutes).*

(b) *A contract under this section must be structured to encourage partnerships among the public school districts, private industry councils, and private, nonprofit organizations described in Subsection (a) of this section.*

(c) *A program provided under a contract in accordance with this section must attempt to:*

(1) *return student dropouts to the public school system;*

(2) *prepare student dropouts to successfully complete the requirements for a general equivalency or adult proficiency level diploma; and*

(3) *prepare student dropouts to obtain permanent employment.*

(d) *A program provided under a contract in accordance with this section must provide a curriculum that is flexible and innovative, but that provides training in basic skills.*

(e) *An organization providing a program under this section shall document its overall strategy and success rate in educating student dropouts and provide this information to each school district in the area the organization serves. The organization shall request that each school district in the area the organization serves provide input regarding the referral process, curriculum, and instructional resources of the program.*

(f) *The primary criterion to be used in determining the success rate of a program under this section is the rate at which the student dropouts in the program:*

(1) *return to public school;*

(2) *acquire a general equivalency or adult proficiency level diploma;*

(3) *obtain permanent employment; and*

(4) *are not being arrested or prosecuted for a crime.*

SECTION 3. (a) The Texas Department of Community Affairs shall seek proposals from qualified research organizations and prepare a report for the legislature that includes:

(1) *research into the problem of student dropouts, including a cost-benefit analysis of the effect student dropouts have on the criminal justice system and the economy of this state;*

(2) *evaluations of various programs for educating student dropouts; and*

(3) *educational and employment-based proposals to solve the problem of student dropouts and their involvement in criminal activities.*

(b) The department shall present the report to the 69th Legislature not later than December 31, 1986.

ARTICLE VII. MISCELLANEOUS

SECTION 1. (a) The Legislative Education Board shall conduct a study of telecommunications used in and by public schools. In conducting the study, the board shall review facilities and technologies currently used or proposed to be used by districts across the state, including cable, microwave, and satellite systems as they are incorporated into telephone, television, and computer systems.

(b) The board shall evaluate the various engineering designs for the systems studied and shall make recommendations in regard to the system most desirable for the communication and educational needs of the schools considering the evaluations and relative costs.

(c) The recommendations and evaluations shall be included in a public report distributed to the State Board of Education, the legislature, and the governor.

(d) The sum of \$1,000,000 is appropriated to the Legislative Education Board from the general revenue fund for the purpose of conducting the telecommunications study.

SECTION 2. Section 21.257, Education Code, as added by Chapter 784, Acts of the 68th Legislature, Regular Session, 1983 (relating to microfilming records and reports), is renumbered as Section 21.259, Education Code.

SECTION 3. Section 16.252, Education Code, as amended by this Act, is amended by adding Subsection (e) to read as follows:

(e) The commissioner of education shall hear appeals from local school districts which have experienced a rapid decline in tax base used in calculating the local fund assignment, exceeding eight percent of prior year, that is beyond the control of the local board of trustees. The commissioner of education may adjust the local school district's taxable values for local fund assignment purposes for such losses in value and thereby adjust the local fund assignment to reflect the local current year taxable value. The decision of the commissioner of education shall be final. An adjustment does not affect the local fund assignment of any other district.

SECTION 4. Subchapter C, Chapter 54, Education Code, as added by this Act, is amended by adding Section 54.107 to read as follows:

Sec. 54.107. APPROPRIATION LIMIT. The legislature may appropriate not more than \$5 million a year for purposes of loans under this subchapter.

SECTION 5. Part D, Article I, of this Act, relating to appeals of decisions of the commissioner of education, takes effect September 1, 1984, and applies to a decision rendered by the commissioner of education or a local school district board of trustees rendered on or after that date.

SECTION 6. Sections 35.4041 and 35.406, Title 110B, Revised Statutes, as added by this Act, take effect September 1, 1985.

ARTICLE VIII. APPROPRIATIONS

SECTION 1. The appropriations authorized by Item 1, Page III-6, and Item 10, Page III-7, Texas Central Education Agency - Programs, of Senate Bill 179, 68th Legislature, Regular Session, 1983, and associated riders are void for the fiscal year ending August 31, 1985, with the final enactment of the following appropriations:

Fiscal Year Ending
August 31, 1985

1. Foundation School Program	
Allocations to Local Schools	
a. Basic Allotment, estimated	\$4,099,597,926
b. Special Education Allotment	435,449,300
c. Compensatory Education Allotment	319,449,694
d. Bilingual Education Allotment	35,216,182
e. Vocational Education Allotment	239,899,119
f. Transportation, estimated	176,825,000
g. Education Improvement and Career Ladder Allotment, estimated	<u>291,218,500</u>
FSP Subtotal	\$5,597,655,721
h. Less Local Share, net	<u>-1,605,793,899</u>
i. State's Share, estimated and sum certain	\$3,991,861,822
j. Experienced Teacher Allotment, estimated	36,832,575
k. Enrichment Equalization Aid	499,557,187
l. Equalization Transition	70,000,000
m. Statewide Programs for Visually Handicapped	6,230,226

	Fiscal Year Ending August 31, 1985
n. Regional Schools for the Deaf	24,082,003
o. Regional Media Centers, estimated	2,774,000
p. Computer Services, estimated	2,774,000
q. Education Service Centers, estimated	7,712,000
r. Incentive Aid, estimated	600,000
s. Sick Leave, estimated	5,000,000
t. Student Teaching	2,200,000
u. Community Education	1,505,000
v. Gifted and Talented, estimated	4,513,350
w. ASF Payment to State Schools, estimated	2,418,000
x. Less Prior Year Adjustment	-3,000,000
Total, FSP State Aid	<u>\$4,654,142,163</u>

Method of Financing:

Out of Foundation School Fund No. 193	\$4,122,827,163
Out of Available School Fund No. 002	
Allocation to State Schools, estimated	2,418,000
Allocation to Local Schools, estimated	<u>528,897,000</u>
Total	<u>\$4,654,142,163</u>

SECTION 2. In addition to amounts previously appropriated, the following amounts are appropriated out of the General Revenue Fund for the fiscal year ending August 31, 1985:

a. Teacher Retirement System, the state contribution, at 7.1% of payroll necessary to match members' contributions, estimated at	\$ 51,987,659
b. Legislative Education Board, Telecommunications Study	1,000,000
c. State Property Tax Board - Office of Valuations, to implement annual studies	948,473
d. State Comptroller of Public Accounts	38,636
e. Texas Youth Commission	327,812
f. Texas Department of Mental Health and Mental Retardation	516,154
g. Texas School for the Blind	171,165
h. Texas School for the Deaf	<u>333,617</u>
Subtotal, Section 2, General Revenue	<u>\$ 55,323,516</u>

SECTION 3. In addition to amounts previously appropriated, the following amounts are appropriated out of the General Revenue Fund to the Texas Central Education Agency administration for the fiscal year ending August 31, 1985:

2. Professional Development and Support	\$ 200,000
3. Agency Administration	500,000
4. Planning, Research and Curriculum	400,000
5. School Support	3,064,900
6. Finance and Program Administration:	
b. Special Education	400,000
d. Special Populations	<u>400,000</u>

Total, Additional for Administration	<u>\$ 4,964,900</u>
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SECTION 4. In addition to amounts previously appropriated to the Coordinating Board, Texas College and University System, from earned federal funds and specified in Article III, page III-20, S.B. 179, Acts of the 68th Legislature, Regular Session, 1983, the following amounts are appropriated to the Coordinating Board.

a. Coordinating Board, Texas College and University System:	
(1) Student Loans, Chapter 54	\$ 1,200,000
(2) Student Loans, Chapter 60	<u>1,000,000</u>
Subtotal, Section 4,	
Earned Federal Funds	
No. 208	<u>\$ 2,200,000</u>

SECTION 5. TOTAL METHOD OF FINANCING - ARTICLE VIII. APPROPRIATIONS

Out of Foundation School Fund No. 193	\$4,122,827,163
Out of General Revenue Fund No. 001	60,288,416
Out of Available School Fund No. 002	531,315,000
Out of Earned Federal Funds, Fund 208	2,200,000
TOTAL	<u>\$4,716,630,579</u>

ARTICLE IX. EFFECTIVE DATE

SECTION 1. LEGISLATIVE FINDING: APPLICATION OF VOTING RIGHTS ACT. The legislature finds that the only portion of this Act that is subject to review by the United States Department of Justice under the federal Voting Rights Act (42 U.S.C. Secs. 1971, 1973dd-5) is Part B, Article I. The secretary of state shall submit that portion of this Act for review by the justice department in accordance with federal law and that portion of the Act takes effect as provided by this Act as modified by the requirements of federal law. All other provisions of this Act take effect as provided by this Act.

SECTION 2. GENERAL EFFECTIVE DATE. Except as otherwise specifically provided by this Act, this Act applies beginning with the 1984-1985 school year.

SECTION 3. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

Passed by the House on June 21, 1984, by the following vote: Yeas 119, Nays 29, 2 present, not voting; House refused to concur in Senate amendments to H.B. No. 72 on June 23, 1984, and requested the appointment of a conference committee to consider the differences between the two houses; House adopted the conference committee report on H.B. No. 72 on June 30, 1984, by the following vote: Yeas 106, Nays 42, 1 present, not voting; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas; passed by the Senate, with amendments, on June 23, 1984, by the following vote: Yeas 22, Nays 9; at the

request of the House, the Senate appointed a conference committee to consider the differences between the two houses; Senate adopted the conference committee report on H.B. No. 72 on June 30, 1984, by the following vote: Yeas 22, Nays 8; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Approved: July 13, 1984

Effective: 1984-85 school year unless otherwise specified.

CHAPTER 29

H.B. No. 101

An Act relating to the assessment of damages in certain eminent domain proceedings.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 21.042, Property Code, is amended by adding Subsection (e) to read as follows:

(e) *If a portion of a tract or parcel of real property is condemned for the use, construction, operation, or maintenance of the state highway system or of a county toll project described by Chapter 304, Acts of the 50th Legislature, Regular Session, 1947 (Article 6795b-1, Vernon's Texas Civil Statutes), that is eligible for designation as part of the state highway system, the special commissioners shall determine the damage to the property owner regardless of whether the property owner makes a claim for damages to the remaining property. In awarding compensation or assessing the damages, the special commissioners shall consider any special and direct benefits that arise from the highway improvement that are peculiar to the property owner and that relate to the property owner's ownership, use, or enjoyment of the particular parcel of remaining real property.*

SECTION 2. This Act takes effect October 1, 1984.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on June 30, 1984, by a non-record vote; passed by the Senate on July 3, 1984, by the following vote: Yeas 20, Nays 9.

Approved: July 13, 1984

Effective: October 2, 1984

CHAPTER 30

H.B. No. 111

An Act relating to appropriations to the State Department of Highways and Public Transportation for the fiscal year ending August 31, 1985, for highway maintenance and construction.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Contingent on final passage of H.B. 122, 2nd Called Session, 68th Legislature, there is hereby appropriated to the State Department of Highways and Public Transportation for the fiscal year ending August 31, 1985, in addition to amounts previously appropriated, an amount estimated at \$400 million from increased revenue to the state highway fund no. 6 collected pursuant to the provisions of H.B. 122. Such additional appropriation shall be used for highway maintenance and construction.

SECTION 2. In addition to other amounts appropriated, there is hereby appropriated, contingent on final passage of H.B. 122, 2nd Called Session, 68th Legislature, an amount not to exceed \$235 million from the general revenue fund and the balance of the motor fuel tax fund no. 060, estimated at \$30 million, to the State Department of Highways and Public Transportation for the period ending August 31, 1985, for highway maintenance and construction.